

Warning sets Treasury ministers on collision course with health and education secretaries, who want to cut waiting lists and class sizes

Ministers told not to 'pad' budgets

Michael White
Political Editor

THE Treasury is warning spending ministers in health and education not to "pad" their budgets by planning to do more than they can.

The warning sets the Chancellor, Gordon Brown, and his deputy, Alastair Darling, on a collision course with Frank Dobson, the Health Secretary, and David Blunkett, his colleague at Education and Employment, who has been holding out for even more than

the extra £6.7 billion his department is tipped to get before the next election.

Both ministers have been keeping their heads down and keeping up public pressure on their departments to provide greater efficiency through better management of existing resources, the message Mr Brown wants to hear.

"But that does not stop inflated spending bids," one insider warned last night. "Health and education have padded their bids. Just because they are our priorities does not mean they will get what they want."

Some cabinet members are being pulled in opposite directions, committed to fulfilling Tony Blair's five "early

pledges" at the same time as the Chancellor demands economies.

To prove his New Labour credentials to Treasury colleagues Mr Blunkett is pointing to the £1 billion a year to be raised by student tuition and maintenance fees — three times the Tory level — as well as the decision to privatise £1 billion worth of debt held by the Student Loan Company, wiping the debt off the Treasury books.

Spending ministers are engaged to a new, upgraded version of the annual battle with the Treasury to justify additional funds, and some are already certain losers. Yesterday the Foreign Office

denied it could save £50 million by selling off extravagant embassy buildings and their contents.

Diplomats are increasingly expected to act as export salesmen, but yesterday's FO reply, suggesting that its £1 billion budget to finance 221 overseas posts would only buy 20 Tornados fighters, attempts to deflect Mr Brown's wrath towards another vulnerable minister, George Robertson.

He too is pulled both ways by Blair-Brown commitments. With a streamlining of the £9 billion defence procurement budget under way Mr Robertson is seeking further operational and logistical integration of the three historic

services as part of his strategic defence review.

He is already offering £300-£500 million worth of cuts in the MoD's £21 billion budget, already hacked by the Tories. That is nowhere near enough for the Treasury, which seeks as much as £2 billion from Mr Robertson as well as extensive sales of land and other assets no longer needed.

New accounting rules will soon force the ministry to acknowledge the true value — and cost — of its vast holdings, including lavish residences for top brass. Mr Robertson is scaling down warship purchases and tank deployments in Germany and cutting the 200-plus Euro-fighters which the RAF

wants, but no longer needs.

Yet, at Tony Blair's pre-election insistence, he is not cutting Britain's strategic commitments to Nato and to global peacekeeping — a pillar of Robin Cook's ethical foreign policy.

A crucial element in the Government's Comprehensive Spending Review, which is making this year's negotiations of greater long-term significance than usual, is the search for private sources of capital to finance major public projects, ranging from schools and hospitals to the Channel Tunnel link — on which John Prescott is poised to clinch an ambitious deal.

The Treasury is relaxing the rules to make it easier to

borrow without the cost being charged against public borrowing. But ministers are also expected to generate income where they can.

Mr Prescott's integrated transport white paper, due next month, is expected to include green taxes on inner city parking.

But like Mr Robertson, Mr Prescott is caught between Labour's historic commitment to strong public transport and Downing Street's concern that he should not offend the motorists of Middle England. He is now expected to issue a motorist-friendly "charter" and stress the essential role of the car.

Analysis, page 11



Gordon Brown... seeking evidence of efficiency



Gap is moving on from the traditional shop window to selling on the Internet, where shoppers 'try' clothes on models on screen. PHOTOGRAPH: SEAN SMITH

Mind the Gap on the world-wide web

Nicholas Bannister, Chief
Business Correspondent

GLOBAL Internet trade took a great leap forward yesterday when Gap, the casual clothing group, announced it was going to extend its cybershopping facility around the world.

The San Francisco based business, named after the generation gap, said it had such an encouraging response to the on-line store it launched in November for American customers that it planned to expand its service from early next year.

Gap's website allows potential customers to try out different looks by selecting outfits from the store's catalogue and trying them on to an electronic model on the screen. Users can change the clothes' colours and even the model's hair and skin colour.

Although Internet commerce is booming, it is still small in terms of overall retail sales. So far the most popular items have been books, music and computer equipment.

News of Gap's plans came as the Deloitte & Touche Consulting Group forecast that electronic commerce was about to go through a period of explosive growth, particularly in the banking and finance areas. The consultants said many companies would be carrying out more than half their transactions over the Internet within two years, as electronic commerce grew by 300 per cent.

"We are approaching a historic business watershed," said John Reeve, a partner at Deloitte Consulting UK.

"Until now, businesses have been hesitant to adopt e-commerce because of security concerns or the perception that their customers aren't used to buying products and services."

"Now companies are coming to the realisation that security will always be an issue, but less of a concern than missing out on a vital new channel that could provide a tremendous competitive advantage."

He said 70 per cent of companies would use the Internet for business-to-business trade within two years.

Clothing has been difficult to sell on the net. Most clothing retailers with websites only offer browsers a catalogue sent to them by post.

Selling clothes has proved a tougher proposition. IBM lost millions of dollars when it tried to sell clothes and jewellery through its cybermall.

Distribution is one of the biggest headaches for Internet retailers. Package and postage can still exceed the cost of a book or audio cassette bought over the net.

Gap is expected to limit its initial Internet expansion to countries such as the UK, France, Germany and Japan, where it already has conventional retail and distribution operations.

Internet retailing is still far from being a sure-fire way to make money. Amazon Books, the largest Internet bookshop, is one of the Internet's commercial success stories. The business is valued at about \$2 billion, but has yet to make a profit.

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Jakarta cancels UK water firm's deal

John Agnew in Jakarta
and Nicholas Bannister

THAMES Water International became the first foreign casualty of Indonesia's campaign to strip away the nepotistically acquired assets of former president Suharto's family when it lost its contract to supply water to half of Jakarta yesterday.

Less than three days after Mr Suharto resigned, PAM Jaya, the water regulator for the Indonesian capital, cancelled its co-operation agreement with PT Kakti Thames Airindo (Kati), a joint venture between Thames and the former autocrat's eldest son, Si-git Harjojudanto.

The regulator, the municipal water authority that organised the supply until Kati won the contract, said that the agreement had been reached improperly. It has taken back responsibility for the supply.

"It was not fair business but monkey business from start to finish," explained PAM's managing director, Rama Boedi, yesterday after the decision was made public. "There was no tendering of the contract whatsoever. The whole process was a classic example of collusion and nepotism overriding all other considerations."

The company that was awarded the contract to supply the other half of the city, the French firm Lyonnaise des Eaux — owner of Northumbrian Water — also had its contract cancelled.

Kati's managing director, John Hurcom, said in a statement that Kati had "acted fully in accordance with the contract between Kati and PAM Jaya" and had met all the contract's service performance and investment requirements. He declined to elaborate on the statement but a Thames Water spokeswoman added: "It is a country where the way to do business involves influence, and the financing lines have now changed. We are looking to replace our original Indonesian partner. Circumstances are right for us to do this."

Thames was overjoyed when the 25-year agreement

was signed last June. David Luffrum, Thames's finance director, said at the time: "This agreement is the most significant win under Thames Water's revised international business strategy."

Thames agreed then to invest \$44 million in the venture during the first five years — but the fall in the value of the rupiah cut this to \$15 million and so far only a "few million" had been paid.



Thames Water accused of 'monkey business' as nepotism inquiry focuses on Suharto

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Review

Richard Williams

Eternity and a Day
Cannes Film Festival

THERE were fears in Cannes last week about what Theo Angelopoulos would do if Martin Scorsese's jury failed to give him the Palme d'Or.

The 63-year-old Greek director is a proud man, and three years ago he made clear his displeasure at getting the jury's grand prize — for *Ulysses' Gaze*. Once his new film, *Eternity and a Day*, had been screened on Saturday as the last of the 27 films in the main competition, the possibility that he might lose out again, and this time to a piece of fluff like Roberto Benigni's *Life is Beautiful*, seemed difficult to contemplate. At such



Theo Angelopoulos lifts the Palme d'Or, top prize at Cannes

moments, the destiny of the entire art form appears to waver in the balance.

Luckily for the future of cinema, *Eternity and a Day* received its just reward.

The Palme d'Or was awarded to a film in the best tradition of European art movies, a work of great complexity and elegant profundity, which may not

yield all its richness at once.

In the film a distinguished Greek novelist, Alexander (Bruno Ganz), has been told he is dying. Abandoning his work on the adaptation of poems by a 19th century German writer, he leaves his seat-front home on a journey of reconciliation with his past. Reading a letter written by his wife, who had died 20 years earlier, he sees scenes from their marriage come to life, but with the present-day Alexander taking the place of his earlier self.

This device gives these scenes, which are elided into the "real" action and return towards the end of the film, a terrible poignancy. It is repeated when the German poet, a gaunt figure in a top hat and cloak, appears during Alexander's travels with an Albanian boy whom he has saved from a gang kidnapping illegal immigrant children.

The screenplay was co-

written by Angelopoulos and Petros Markaris with Tassos Soutsos, the great Italian scenarist who appears to have had a hand in half his country's post-war classics (*La Notte*, *L'Avventura*, *L'Eclisse*, *Amarcord*, *Il Gattopardo*, *Christ Stopped at Eboli*, and so on). Guerra's collaborations with Antonioni and Fellini seem particularly relevant to this story of a man who is a stranger in his own life, and whose alienation finds a special resonance in Ganz's calm, deliberate performance.

Some will find its length — 130 minutes — trying, and its parade of strange images occasionally puzzling. But this is a film that uses its resources to contemplate ideas that can't be evoked in any other way. If it's going to take a second viewing to decode the significance of the yellow-caped cyclists who pedal in and out of the final half-hour, that's something to look forward to.

Health insurers have latched on to the fact that there's money to be made from 'preventive medicine'... Funnily enough, such 'prevention' also pays pretty well.

Health, G2 page 11

Biograph
spotlight
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Biographers' spotlight falls on Prince Charles

Luke Harding on Penny Junor and Anthony Holden, who are writing with and without the co-operation of their subject

AS REPLIES go, it could hardly have been more cutting. "I know a little of your background," Mark Bolland, one of Prince Charles's most senior aides wrote to Anthony Holden, the royal biographer, "and what I have heard does not bode well for a constructive relationship between us."

It would, he added, be a waste of time for the two of them to meet. "It is fair to say we don't start from the best of wickets," Bolland concluded gloomily, in what amounted to a two-word rebuttal: "So off." Such is a biographer's dismal lot.

Undaunted, Holden is this week putting the finishing touches to his latest biography of Prince Charles, his third. Prince Charles, A Biography is being published to coincide with the prince's 50th birthday on November 14. The milestone provides a useful peg to examine the man destined to be King Charles III, causing the demands of his children, mistress and the throne, a middle-aged, post-Diana prince who may have to wait another 20 years before he gets the top job.

The author and TV presenter Penny Junor, meanwhile, is writing her own biography of the Prince of Wales. It boasts the working title CL (the C is for Charles, the L is Latin for 50).

Both Junor and Holden have substantial track records as writers, and both have been given large advances. Holden, though, is detested by the royal establishment and is expected to produce a sharper and more critical book. Junor is broadly tolerated and pro-Charles.

The palace's feud with Holden goes back a long way. In the 1970s Holden — an award-winning journalist — worked as Charles's speech writer, and wrote a sympathetic biography of a lonely, somewhat confused bachelor prince aged 30. He returned to his subject 10 years later, but Holden's second biography of Charles at 40 was harsher, and revealed that his marriage to Diana was in trouble. Aides denounced the book as a work

of fiction. Holden counter-attacked by threatening to sue, and a period of mutual loathing began.

"What the bloody hell are you doing here?" the prince asked Holden 10 years ago — the last time they spoke — after bumping into him in an Adelaide park.

Last September when Charles toured South Africa Holden was told the royal plane, in which other journalists were travelling, was full. In fact it was half empty. Mark Bolland, the prince's deputy private secretary and *de facto* spin doctor, was merely reflecting palace thinking in his letter: that Holden man is simply beyond the pale.

"We are always polite when someone approaches us with a book project," one aide said two months ago. "Except for Tony Holden. We don't bother being polite to him."

'We are always polite when approached with a book project, except to Tony Holden'

Holden's peremptory treatment by St James's Palace contrasts strongly with the help afforded to Jonathan Dimbleby, whose authorised biography of Prince Charles was published in 1994. Dimbleby was granted unprecedented access to Charles's personal diaries and archive material. He spent many hours in conversation with the prince and with his friends, before writing his authorised life.

It is something of an irony, then, that Dimbleby's palace-blessed book is now regarded by most in royal circles as a complete public relations disaster. The book is blamed for Charles's ill-advised decision to admit on television his adultery with Camilla Parker Bowles, and the great conflagration that followed: Diana's revenge in her infamous Panorama interview, in which she admitted her own adul-

tery, and the messy royal divorce.

What makes the two unauthorised Charles biographies interesting is that they both hold out the promise of new material. There are some 90 books on the market about Diana, but with the exception of Andrew Morton's *Diana: Her True Story*, few of them contain any real insight. Richard Kay, the Daily Mail reporter who became Diana's confidante, is the only man now in a position to write a definitive life of the princess, but he refuses.

What, then, will Holden and Junor say? It is known that Holden lunched with Diana shortly before her death. He has also returned to some of the establishment sources who helped him before. His latest work concentrates on the prince's vexed personal life over the past 10 years. Holden's critics accuse him of relying too heavily on press cuttings, and of being — as one put it — a "bullshit-er", albeit a very clever one.

Junor, meanwhile, is known to be penning her research completed, she has yet to begin work on the manuscript, and a November publication date looks unlikely.

Early reports suggested that Junor had talked to some of Mrs Parker Bowles's friends. This now appears not to be the case, but St James's Palace has helped her correct matters of fact. It has not produced the prince, though, for a brief off-the-record chat.

"I have always been a great supporter of the Prince of Wales, but I am not being critical of the princess," Junor said yesterday. "I hope my book is going to be a fair and impartial account." The biography will concentrate on the past 18 years — including the disastrous marriage years — and the future of the monarchy.

"She is meticulous in protecting her sources. She has never betrayed people and has been able to go back many times to people she has spoken to," one friend said yesterday.

Junor's previous subjects include generous treatments of Baroness Thatcher and John Major. While Junor is a respected biographer, some observers find her studies somewhat of a little soppy. Two things are certain. The first is that both biographies will find plenty of readers. The second is that the Prince of Wales will not be among them. He gave up reading the newspapers years ago.



The dustjacket for the forthcoming biography of the Prince of Wales by Anthony Holden



NAME: Penny Junor

AGE: 42

BACKGROUND: Daughter of Sir John Junor, the late Sunday Express editor and rightwing columnist. Educated at Benenden girls' school and St Andrew's. **CAREER:** Started as a feature writer, turned to biography in the early 1980s. Enthusiastic studies of Margaret Thatcher and John Major. Wrote an encomiastic biography of Prince Charles at 40 ("one of the saddest people I have ever encountered"). Also presents TV's Travel Show. **ROYAL RATING:** Tolerated. Has been given some minor help by St James's Palace with her latest Charles biography.



NAME: Anthony Holden

AGE: 51

BACKGROUND: Educated at Oundle and Merton College, Oxford. Republican-leaning writer, broadcaster, Express columnist. **CAREER:** Rose up Sunday Times in 1970s. Resigned in protest when mentor Harold Evans was sacked by Rupert Murdoch. The Observer's Washington correspondent for two years, went freelance in 1982. Written books on Prince Charles, Tchaikovsky, poker, and (in progress) Shakespeare. **ROYAL RATING:** Loathed. Royal aides rubbish his last Charles book as a "work of fiction" after it (accurately) claimed the prince's marriage was in trouble.

SDLP looks at alliance with Ulster Unionists

John Mullan
Ireland Correspondent

THE nationalist SDLP refused yesterday to bow to Sinn Féin's pleas for an electoral pact ahead of the assembly elections in Northern Ireland. It suggested instead that its backers consider giving their second preference votes to David Trimble's Ulster Unionists. This would involve a re-alignment of politics in Northern Ireland, with the centre ground dictating the agenda.

The move came after Sinn Féin repeated its demand that the SDLP agree to an electoral pact. SDLP sources say it is impossible to see the benefit of that in the assembly's election, partly because it is decided by the single transferable vote.

Brid Rogers, one of the SDLP's leading negotiators at the Stormont talks, said she was opposed to the Sinn Féin plan.

"The referendum result marks a new beginning to work across the religious divide," she said. "There is nothing to be gained from a pact with Sinn Féin. There is a new era in politics here."

Ulster Unionists, too, have been making encouraging noises about transferring votes to the SDLP, but they are unlikely to make a formal recommendation to their supporters.

It is the issue which will dominate the assembly — if the SDLP and UUP can come to some accommodation, consensual politics will reign. That is the big fear of Gerry Adams, the Sinn Féin president, who wants to form a close alliance with the SDLP for the elections. But John Hume's party realises that in an election based on the STV system there is little to be gained by forming a pact.

The SDLP believes it would get Sinn Féin second preferences in any event. The election for the 108-seat assembly on June 26 will see six candidates elected from each of Northern Ireland's 18 Westminster constituencies.

The SDLP says it wants its supporters to give its later preference votes to parties committed to making the peace accord work. There are strong indications it would be happy for the beneficiaries of that to be the UUP.

Seamus Mallon, deputy leader of the SDLP, likely to take up the post of deputy first minister in Northern Ireland's new government, hinted at such a recommenda-

tion when he said: "We have never asked people to vote Ulster Unionist before, nor have they asked people to support us, but we are in a new type of electoral context."

Pat Doherty, Sinn Féin vice-president, denied his plea for an electoral pact with the SDLP was sectarian. "We want to build nationalist strength to meet unionists on the basis of equality."

He went on to say that Sinn Féin was happy for its supporters to give its later preferences to the Ulster Unionists to make sure that the pro-agreement parties did best.

The SDLP was following a similar line. Eight Catholics were murdered by the Ulster Volunteer Force as they watched Ireland beat Italy in the 1994 World Cup in a pub in Loughlinishland, Co Down, but it was prepared for its supporters to give subsequent preference votes to the Progressive Unionist Party, the fringe loyalist group linked to the UVF.

The issue of decommissioning terrorist weapons is certain to rumble on until voting day and beyond, and could even bring down the Good Friday agreement before it is up and running.

'This marks a new beginning to work across the religious divide'

Canadian General John de Chastelain, who heads the International Commission on Decommissioning, yesterday said weapons had to be handed over, rather than being allowed to rust in arms dumps. But that has connotations of surrender, and is unlikely.

General de Chastelain said: "Rusting in the ground is something that is more in the past than it is in the present. Things get wrapped in polythene and heavily greased and you can put them in the ground and they won't rust."

"The concerns of people in Northern Ireland are that if you leave large numbers of weapons in play, no matter how well they are guarded, there is a chance they will fall into the hands of people who have nothing to do with the political process and no interest in the use of weapons for political reasons, but criminal reasons."

Hugo Youngs, page 8; Letters page 9

Freed nurses 'to sue Gilford for £1m'

Saudi lawyer says dead woman's brother caused mental torture

Luke Harding

THE affair of the British nurses freed by Saudi Arabia descended into confusion and farce last night when their Saudi lawyer apparently speaking off the cuff — said they were to sue the brother of the woman they allegedly murdered.

Salah Al Hejailan claimed Deborah Parry and Lucille McLauchlan are demanding £1 million in compensation from Frank Gilford. The women were convicted by a Saudi court of stabbing Mr Gilford's sister Yvonna to death in 1996.

But the compensation claim was immediately contradicted last night by legal sources in Britain, who said that it was "highly unlikely"

they would make any such move.

Speaking from Riyadh, Mr Hejailan said the nurses wanted the money because of the "mental torture" and "blackmail" they had suffered at Mr Gilford's hands.

Parry and McLauchlan were freed from jail in Saudi Arabia last week when King Fahd commuted their sentences. Both have protested their innocence.

Parry escaped execution last year when Mr Gilford agreed to accept £750,000 in "blood money" in accordance with Islamic law.

According to Mr Hejailan, who represented both nurses during their 17 months in captivity, Mr Gilford made "false statements" and mounted a "malicious campaign against them" while they were in jail. "They intend to sue for com-

pensation. He caused them mental suffering. "He announced that Deborah was sentenced to death. She thought of committing suicide when she heard that."

Last night other legal sources made it clear no compensation attempt would be made during a court hearing in Adelaide scheduled for June 17.

"Normally it is the client who instructs the lawyer," the source said. "But in Mr Hejailan's case it is the other way round."

Mr Hejailan said Mr Gilford had lost his right to the blood money because he had violated Saudi legal procedures and failed to show the forgiveness expected under Islamic law.

The money was raised by British firms with interests in Saudi Arabia. Deborah Parry's brother-in-law John Ashbee said last night he expected the blood money to be handed over at the Adelaide hearing.

It is understood Mr Hejailan has not spoken to either of the nurses for several days. "What they went through at the hands of Gilford put them through a great deal of mental torture and they agreed to the blood money under duress," he explained yesterday.



'He caused them mental suffering. He announced that Deborah was sentenced to death. She thought of committing suicide then'

Salah Al Hejailan on Frank Gilford, left

they do, it is an admission of guilt."

Mr Hejailan is a prominent figure in Saudi Arabia, with a reputation for garrulousness. Late last week he accused his British clients of "financial opportunism" for selling their stories to tabloid newspapers, and said they had made up stories of torture.

Miss Gilford, aged 55, was beaten, stabbed and repeatedly suffocated in her room at the King Fahd Military Medical Complex in December 1996. Her colleague Ms Parry, 39, from Alton, Hampshire, was convicted of murder, and fellow nurse Ms McLauchlan, 32, from Dundee, was convicted as an accomplice.

Mr Gilford has bitterly criticised the women for accepting six-figure sums from the Mirror and the Express. "I've been accused of money-grabbing but they are the ones making money out of my dead sister," he said yesterday. "I wish this would all end."

Japanese staff to face ex-POWs to blunt TV image of street protest

continued from page 1

40 years — and now they talk about the passage of time.

"It is like saying that, if you can commit a murder and hide it away for long enough, you'll get away with it."

Joan Bailey, aged 60, organiser of the internet demonstration and leader of last night's torchlight vigil, spoke angrily about the death of her father, a British engineer who died of tuberculosis in 1947, two years after the war.

Since the family got no compensation, her mother had to work as a cook. She could only afford to bury him in the equivalent of a pauper's grave, with a simple metal cross in a cemetery at Liphook, Hampshire.

"There was terrific hardship among the civilian internees," she said. "My mother never had a home again and could not bury my father as she would have wished."

"The first thing I will do if I receive a penny in compensation from the Japanese is to



Emperor Akihito: will ride with the Queen

bury my father with a proper tombstone." Prison camp veteran Bill Holtham, founder of the Labour Camps Association, said: "As a prisoner, I was burying 30 of my comrades every day. I openly accuse Tony Blair of betrayal."

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Think Wood

Firms 'all talk' on child care

Helen Carter

FIRMS recognise the need to provide child care for employees, but few do anything about it, according to a MORI poll.

Three-quarters of 500 leading companies surveyed said they saw the need for family-friendly policies, but only 5 per cent provided workplace nurseries and only 2 per cent reserved nursery places for children of staff.

A further 5 per cent made a contribution towards nursery costs and 3 per cent had after-school clubs for children. Eighty-one per cent of the companies believed the Government should help them.

'There is a big gap between what companies say and what they do'

implement family friendly policies, and 80 per cent thought the Government should offer financial incentives such as tax breaks.

Almost nine in 10 firms believed family friendly employment policies would become more important over the next five years.

The survey was commissioned by the Daycare Trust, the national child care campaign, for this week's National Childcare Week.

Collette Kelleher, director of the trust, said the survey revealed "double standards" among employers. However, there was a strong business case for investing in child care, and she was pleased companies had begun to recognise this. "There is still a

big gap between what companies say and what they are doing. We are aiming to bridge that gap," she said.

"With increasing numbers of mothers with young children returning to work, employers need an effective child care infrastructure as much as roads and railways."

"No one is suggesting that employers should foot the entire bill, but they have an important role to play and significant benefits to gain."

She said the national child care strategy, announced last week by the Social Security Secretary, Harriet Harman, and the Employment and Education Secretary, David Blunkett, would set out the framework.

The green paper says the Government aims to provide an extra £300 million over five years, with more out-of-school clubs for children, an increase in carers' training, the introduction of a child care credit for lower income families, and uprated child benefit.

One company which has an enlightened approach to child care is the AA motoring organisation. Since November, it has provided its employees with membership of Childcare Solutions, a company which offers a child care information and support service.

Gill Phillips, the AA's manager for fair employment, said it hoped the service offered peace of mind to staff and would encourage women to return after maternity leave, "as we spend a lot of time, effort and money recruiting and training them".

The AA also offers maternity leave, leave for emergencies involving sick children, and a cash bonus for women returning after maternity leave.

Minister 'trying to cover up fish farm blunder'

Rory Carroll

THE Government was accused yesterday of trying to cover up a blunder which may wipe out salmon and trout from Scottish rivers after a minister blamed temperature changes in the North Atlantic.

Lord Sewel, junior Scottish Office minister, denied that disease spawned on government-backed commercial fish farms were responsible for the crisis that threatens wild fish stocks with extinction within two years.

Some rivers have seen sea trout cut by 90 per cent in five years, wrecking the fly-fishing industry and driving fishing hotels into bankruptcy. Up to 30 rivers may soon be devoid of migratory fish.

Last week the Scottish Office ordered the slaughter of up to 400,000 farm fish infected with salmon anaemia. A quarter of the farm salmon industry was closed and 72 sites quarantined.

Lord Sewel told Radio 4's Today programme that fish farms should not be blamed since there were none on the east coast, which was badly hit as the west. "It is more likely to do with temperature changes in the North Atlantic, which affects feed stock for the salmon."

But Michael Smith, chairman of the Tay District Salmon Fishery Board, said Lord Sewel was ducking responsibility for encouraging fish farms and then not regulating them properly.

"It's a cop-out for those who should be managing our fisheries," Mr Smith said. "A lot of taxpayers' money went into fish farming, and all it's done is wipe out fresh fish. They didn't see it coming."

"More than 300 stocks have been destroyed on the west coast, and in each case the collapse came after the arrival of a fish farm."

The billions of sea lice that infest farm fish attack wild fish as they pass by, literally eating them alive.

Salmon and trout numbers are at their lowest since accurate records began 15 years ago. Anglers say the Scottish Office commissioned endless studies instead of clamping down on fish farms.

Scientists agree that the decline in stocks since the 1980s is due to a combination of reasons, including predators, acidification, salinity, pollution, over-fishing and North Atlantic temperature changes. The arrival of fish farms, say some, turned the sea into a "kill zone".

In the past few years the temperature had been two degrees higher than normal, said William Crowe, the Scottish Salmon Growers' Association's chief executive, "which means not as many lice are killed during winter."

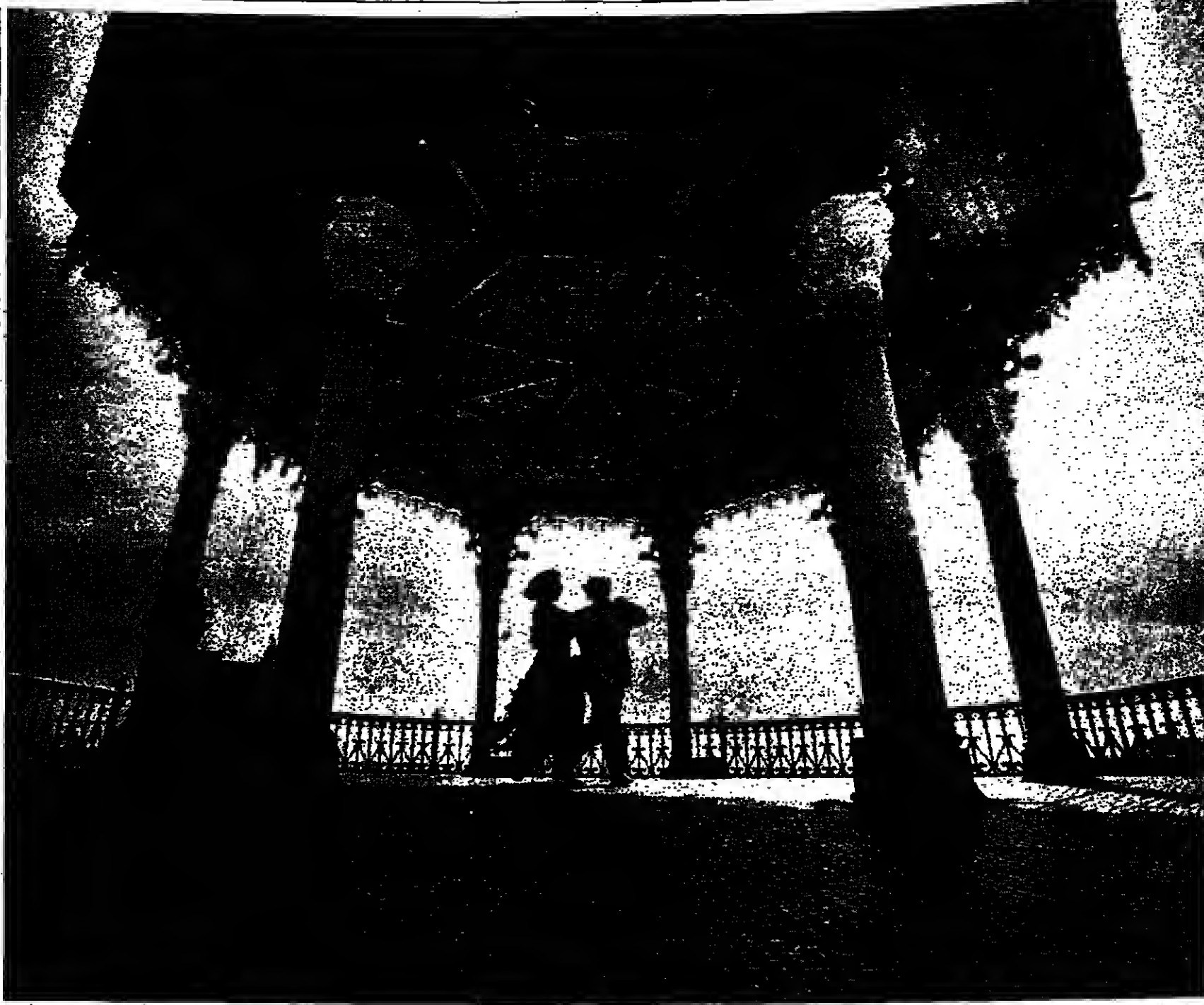
James Butler, a biologist of the Western Ross Fisheries trust charity, said temperature changes had affected salmon numbers for all North Atlantic salmon-producing countries. "But the minister was ignoring the problem in north-west Scotland, which is the horrendous decline in sea trout. They have been decimated by something more complicated than the things he was mentioning."

A Scottish Office spokesman said: "The number of live fish allowed into the country is minimal. Fish have been declining over the years, long before fish farming. There is a combination of causes and no one cause."

The Dean and the organist have been cast in a modern morality tale in which a brutal manager supposedly picks on a defenceless, other-worldly, brilliant musician.

What's going on at Westminster Abbey?

G2 cover story



Shore football dancers Stephanie and Barry perform 'This Afternoon...' on the Victoria bandstand on Brighton sea front - out of use for more than 10 years. The pair danced the waltz, foxtrot and tango to music provided by Retrovert Productions as part of the Brighton fringe festival. PHOTOGRAPH: ROGER BAKER

Fulham council to get first US-style city boss

Peter Hetherington

BITAIN'S first executive mayor, modelled on a powerful United States-style city boss, will be elected in west London this week in a move which pre-empted government plans.

Labour-controlled Hammersmith and Fulham borough will replace its time-consuming committee system by placing extensive powers with a six-strong cabinet.

It will be chaired by the executive mayor, the council leader Andrew Slaughter, who will command an annual salary of £40,000, with his cabinet colleagues getting £30,000 or £35,000, depending on their responsibilities.

Attendance allowances for the remaining 43 councillors will be replaced by annual salaries of £10,000, which could push up the total remuneration bill by almost 400 per cent to £750,000.

The radical move follows the decision of Londoners to back the concept of an elected mayor by a three to one margin in a referendum earlier this month on a miserable turnout of under 35 per cent.

While the new London mayor, and a proposed Greater London Authority, will have responsibility for

strategic matters such as public transport, major planning, police and fire, the 32 London boroughs, like Hammersmith and Fulham, will control broad and hatter issues like education, social services, housing, local planning, highways, parks and refuse collection.

Already the Hammersmith proposals, certain to be endorsed at a council meeting this week, have led to a row within the 14-strong Tory group, which broadly supports the plans. One newly-elected member, Greg Hands, said he will either not claim his £10,000 allowance or donate it to charity.

In place of the committee structure, a system of checks and balances will be introduced into the cabinet system, where the executive mayor and his six-strong "board" will oversee an annual budget of £500 million. The council insists that cabinet decisions will be published widely and any matters of concern will be referred back to a special scrutiny committee.

Longer-term policy issues in the borough (population: 150,000), where the affluence of King's Road and the booming Heathrow corridor contrasts sharply with the old White City housing estate,

will be passed to a range of specialist review panels and partnership forums.

The aim is to co-ordinate joint projects with local organisations.

Mr Slaughter, a barrister, who will still undertake some legal work alongside his council responsibilities, maintained the system would make it easier for people to influence council decisions.

"Our business will be much more efficient and it will be easier to identify, and hold to account, the people making the decisions. Instead of sitting in endless meetings at the town hall, councillors should be out and about talking to the people they were elected to serve."

Radical change was vital if local government was to survive. "At present it is not delivering, people are aware of it, and the Government has made clear it is not prepared to let this continue. If we do not change voluntarily, change will be forced on us."

Eventually, he favours reducing the size of the council by two thirds, creating single-member wards.

Pressure is growing within the Government to include a local council reform package in the next Queen's Speech, embracing powers to force elected mayors on councils.

News in brief

Holiday heartbreak as cruise cancelled

HUNDREDS of disappointed holidaymakers were on their way home yesterday after their two-week Mediterranean cruise was cancelled five hours after boarding ship.

Almost 1,000 passengers had arrived aboard the SS Edinburgh Castle docked in Liverpool on Sunday night when they were told over the public address system by the captain that the tour had been cancelled.

The 32,000-ton liner had been disabled by a short circuit in its switchboard.

Passengers were given the option of returning for an eight-day cruise due to set sail on Friday to Cadiz, Malaga, Gibraltar and Lisbon. Travel expenses would be refunded and compensation offered, passengers were told. Some of them were understood to have paid up to £2,000 for a cabin.

"On behalf of Direct Cruises, myself and all of the ship's company, I apologise for any inconvenience caused. I am sure that you all appreciate that this decision has not been made lightly but to ensure the safety of all on board," the captain added in a statement.

Shotgun victims under guard

POLICE were yesterday guarding the hospital beds of two men recovering after being shot through the window of their home. The attack on the two, who have not been named, at the house in Westcliff, near Southend, was being treated as attempted murder, said Essex police.

One man had head injuries, and his condition was described yesterday as "serious but stable"; the other man has been shot in the leg and was "comfortable".

Police appealed for information about a man wearing a crash helmet and motorcycle jacket seen walking away from the scene — although no motorcycle was seen, said a police spokeswoman. A shotgun was found near the house.

Family to meet Met chief

THE family of Joan Francisco — the murdered doctor whose boyfriend was named by a High Court judge as her killer — is to meet the Metropolitan Police Commissioner, Sir Paul Condon, at Scotland Yard today to request the case be kept open.

They will also seek assurances of police help if they decide on a private prosecution against Tony Didrick.

In March, Mr Justice Auld ruled that Didrick "struck and then strangled" the 27-year-old London doctor in 1994, and awarded the family £50,000 damages against him in a civil action for assault and battery. It was the first such action to succeed.

Although Didrick had been prime suspect in the case, it had been decided there was insufficient evidence to convict and he was not charged.

Earlier this month the Crown Prosecution Service confirmed that decision, because a police report after the civil case contained no new evidence.

Didrick was found guilty of manslaughter in 1994, but his conviction was quashed in 1995. He was released on bail and later died in prison.

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Alnwick Castle... family home high above the town

300 years of tradition in Alnwick put at risk as lord of the manor demands ancestral rights, reports Peter Hetherington

'Feudal' duke leaves town fuming over fee for market

FOR more than three centuries, the weekly market has been a popular feature of Alnwick. "We couldn't imagine life without it," says Ian Hinson, chairman of the council. "It gives the place a special character."

The Northumberland town is in turmoil over the future of the market which draws several thousand shoppers to the 50 colourful stalls, because the 12th Duke of Northumberland wants to revive a long forgotten right as lord of the manor to charge £2,000 annually for the right to hold markets in Alnwick market place.

Accusations of feudalism, and a return to the dark ages of master and servant, are flying, thick and fast

and the council has rejected a deal with the duke, master of 120,000 acres — including much of the town — for a lease to 2011, costing £24,000.

But unless an agreement is reached between lawyers for both sides, fears are growing that the market will cease to exist.

Councillors are particularly incensed because a partnership, including the council and a government agency, is spending £500,000 to landscape the market place although the duke's company, Northumberland Estates, is not involved.

"If he wants his £2,000 annually he should pay his whack for the improvement of the market square," stormed Mr Hinson, a college lecturer. "We are being asked to pay this

money but are getting nothing in return. This is a hark back to the past — feudalistic — whereas we should be moving forwards towards the millennium."

The estate has owned the market place land since it acquired the barony, castle, manor and town of Alnwick in 1309 from the Bishop of Durham along with the "appurtenances, advantages, and all other liberties, free customs and rights belonging to the barony..." The first market, for cattle and sheep, was held in 1752.

Legally, the public road on the market square is the responsibility of the council. According to the duke's agent, Rory Wilson, this means that the estate simply owns the soil. Improvement, therefore, was not



Lord and lady of the manor... the Duke of Northumberland and his wife visiting Alnwick for the town's annual fair

their responsibility. He insisted that the right to hold the market was one of the conventions of the estate and was not only a question of money, but also of tradition. Other market rights in the county were owned by them. "We are renegotiating renewal of the rights and if the council do not want them the estate will

look to someone else to run the market."

He claimed it yielded a gross income of £20,000 annually from stallholders' fees, although the council says it only makes a profit of £1,300. It doubts if anyone else can run the market.

Some councillors believe that one way out would be a 99-year lease, at an annual

charge of £1. This would acknowledge the duke's feudal and legal right without causing financial problems.

Philip Marshall, Alnwick district council's director of services, said: "This is quite an emotive issue and there are a number of dimensions to it. It will be very sad if this is not resolved because a

refurbished market place ought to have a market in it."

Elsewhere the duke's family estate, estimated to be worth £250 million and including a mansion by the Thames, Syon House, as well as Albury, near Guildford, and holdings in Scotland, is in dispute with Warkworth golf club, near

Alnwick, founded by miners 107 years ago.

The estate wants to treble the annual rent to £15,000 when a lease ends in September but the club fears that might put it out of business. "Working class people just can't afford this," complained the match secretary, John Douglas, a retired miner.

Unscrupulous undertakers 'prey on grief to sell services people do not really want'

Vikram Dodd

UNSCRUPULOUS undertakers are exploiting the lack of regulations to get extra money from the bereaved, says the Consumers' Association.

A new guide, *What To Do When Someone Dies*, published today, calls on the Government to introduce tougher rules.

The guide says supermarket-style funeral stores and multi-national corporations have taken over from smaller independent funeral directors. Some firms are preying on grief by using high pressure selling tactics to sell funeral products people do not really want.

Paul Harris, author of the guide, said: "At the time of bereavement people are emotionally vulnerable and it is very easy to trample all over them in such a way that can take years to heal."

"All funeral directors need to be trained, qualified and registered. The current two year diploma in funeral directing should be made compulsory. Regulation would help to ensure the provision of a professional and caring service, and that no advantage is taken of people in their distress. Firms have codes of practice but they are writing their own rules."

A Channel 4 undercover investigation into a firm owned by the US company Service Corporation International broadcast earlier this month, alleged lack of respect for the dead and gross overcharging. SCI has been criticised for its selling methods.

The guide urges the bereaved to check the prices of several firms and to get a breakdown of everything charged for. Some firms apparently offering cheaper funerals charge up to £20 every time a family member visits the chapel of rest.

The Department of Trade and Industry is looking at introducing regulations governing who can set themselves up as an undertaker and to combat high pressure selling.

Three years ago the OFT called for new laws after an investigation, but the last government chose to stay with self-regulation.

Nigel Griffiths, the consumer affairs minister, has ordered DTI officials to examine how to tighten rules governing pre-paid funerals.

One in 50 of Britain's 600,000 funerals a year is pre-paid, but firms offering such schemes are subject to no regulation.

A survey by the Manchester Unity Friendly Society revealed huge disparities between different regions for funeral costs. The average burial cost £1,657 rising to £2,391 in London and dropping to £1,269 in the East Midlands. The average cremation cost £1,101.

Asian financial crisis prompts scholarships

A £5.6 MILLION scholarship fund to help Asian students at British universities will be announced this week by the Foreign Office in a response to the financial collapse in Korea, Thailand, Indonesia and Malaysia, writes John Currell.

Vice-chancellors were worried that the crisis might threaten income from foreign students, worth more than £200 million a year.

Derek Fatchett, the Foreign Office minister, said the one-off scholarships would help about one in eight of the 20,000 students from the four countries. They will be available from September.

The Foreign Office, Department of Trade and the British Council will provide £2.8 million towards the scholarships and there will be £700,000 in donations from the private sector. The rest will be found by the universities.

Study shows disabled prejudice

David Brindle, Social Services Correspondent

DISABLED people remain victims of widespread prejudice and discrimination that often make them feel social outcasts, according to research published today by a leading disability charity.

The Government risks ignoring problems faced by disabled people by drawing too narrow a definition of "social exclusion", says the charity, Leonard Cheshire.

The research is based on an NOP telephone survey of 1,000 people, more than half of whom had no regular contact with anybody with a disability. More than one in five admitted feeling awkward or self-conscious in the presence of a disabled person.

Almost one in three agreed with a statement that "some people assume that a person in a wheelchair cannot be

intelligent". A similar proportion said disabled people should not expect to be able to use public transport.

More than 40 per cent felt it was "virtually impossible" for disabled people to get a job and almost three in four thought that their standard of living would fall if they became disabled.

The findings are supported by comments by disabled people who took part in focus

group discussions organised by the charity. One said: "Since I've become ill, all my friends have disappeared. People don't want to know."

Others reported being the targets of mockery, with gangs of young people said to be the worst offenders.

Leonard Cheshire, which is celebrating its golden jubilee, is today launching an advertising campaign on the theme of "enabling" disabled people.

The charity wants ministers to incorporate disability fully within the work of its social exclusion unit.

It says: "By limiting social exclusion to the effects of extreme poverty, the Government ignores a whole area which disabled people — not to mention a whole lot of other groups — know only too well: that of being excluded from society because of the attitudes of others."

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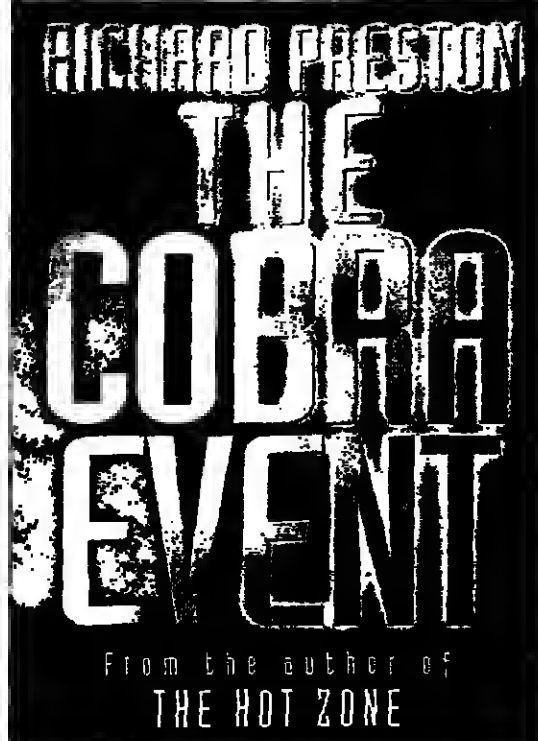
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Peter Mullan, winner of the best actor award at Cannes



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ORION BOOKS

G2 page 7

Sixties dream rides again in Amsterdam

The free white bicycles return, with hi-tech safeguards

Martin Walker in Brussels

THIRTY years after it emerged as a naive symbol of the student movement's happy anarchism, Amsterdam has relaunched the free "white bicycle" experiment — but with a hi-tech twist for added security.

The new scheme retains the "property is theft" idealism at the heart of the original movement, founded by the student anarchist Let Schimmelpenninck. He has persuaded the city government to try it again, and believes that in the 1990s the scheme could turn a profit.

"I am still an anarchist," Mr. Schimmelpenninck says. "My views have not changed, but we can now use technology to make this work."

The idea is simple enough. White bicycles belong to everybody. Find one, ride it to your destination, and leave it there for the next rider to use. The original experiment

died with the Sixties as the bikes, whose numbers swelled swiftly as trusting Amsterdamers took to the idea, disappeared from the streets.

Some were simply repainted. Others vanished in droves overnight as thieves showed their commitment to private ownership by bringing lorries to collect them. At least one is reputed to have ended up in

stands, which are opened by swiping the card and typing in the destination.

The experiment is scheduled to last the summer. If it works, the smart cards will be available to the public after September, along with 750 bikes at 45 locations in the inner city.

"I think our scheme is better than the one in Copenhagen, where they use a deposit

and, depending on the outcome of the current experiment, pay insurance premiums to a private insurer. The fee also gives users a powerful incentive to take care of the bikes and return them to the smart-card lockup.

The main worry is vandalism — if the card slot is deliberately damaged — and convenience. So far there are only two bike stands, one by City Hall and the other in the artists' quarter near the zoo. Next week Amsterdam plans to open three more stands and, if everything works as planned, to offer a special smart card to tourists, charging up to 50p a ride.

"I always knew this dream would work, that Amsterdam would be filled with white bicycles which everybody could use," Mr. Schimmelpenninck says. "Maybe the idea was ahead of its time. But today, the city council and the metro system and even the police are all backing the scheme. What was revolutionary is now seen as good sense."

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Hong Kong's liberal and populist Frontier movement celebrates its three-seat election victory. PHOTOGRAPH: BOWLES CHAN

China puts brave face on Hong Kong poll setback

Andrew Higgins in Hong Kong

WHEN Asia's longest serving ruler stepped to the microphone in Jakarta's Merdeka Palace last week to bow to an unstoppable momentum for change, Chinese television screens carrying the pictures from CNN suddenly went blank. A fuzzy fog enveloped the live satellite images of President Suharto's surrender.

More threatening to leaders in Beijing, though, may be the images that flashed across the big electronic screens in the Hong Kong Exhibition and Convention Centre yesterday. They gave the final results of the first democratic election held on Chinese territory since the 1997 revolution.

Instead of concealing the vote, China's official media celebrated it.

Indeed, the official New China News Agency (Xinhua) scooped even Hong Kong's electoral commission to announce a turnout of 53 per cent in Sunday's poll.

In a city supposedly uninterested in politics, nearly 1.5 million people braved torrid rain to vote.

The turnout not only confounded Hong Kong pundits but challenged the core principles of so-called Asian values — an authoritarian creed already jettisoned in South Korea, Taiwan, the Philippines, and most recently Indonesia, but still embraced in Beijing.

"People in the rest of China will be thinking, 'If Hong Kong can have such an open election, why not us?'" said, Andrew Cheng, a leader of the Democratic Party.

"I don't think 'one country, two systems' can really work in the long run. We are all

Results

These are the results for the 30 seats on Hong Kong's Legislative Council in the first elections under Chinese rule held on Sunday. 30 seats returned by proportional representation

Democratic Party	5
Democratic Alliance for the Betterment of HK	5
Frontier	3
Citizens Party	2
Independent	2

30 seats chosen by professional and business bodies

Liberal Party	5
Democratic Party	2
Democratic Alliance for the Betterment of HK	2
HK Progressive Alliance	2
Independent	14

10 seats chosen by 500-member Election Committee

HK Progressive Alliance	3
Democratic Alliance for the Betterment of HK	1
Liberal Party	1
Independent	4

Chinese. Why should Hong Kong have free elections but not the mainland?"

Indonesia's retreat from authoritarianism has been darkened by the vicious violence suffered by ethnic Chinese and Jakarta's descent, albeit briefly, into mob rule.

The mainland media gave extensive coverage to the turmoil in Indonesia while barely mentioning the peaceful protests of students whose occupation of the parliament in Jakarta revived uncomfortable memories of the Chinese students who occupied Tiananmen Square in 1989.

Democratic reforms in Taiwan have been treated with much the same contempt. When the island held its first real presidential election in March 1996, China responded by testing ballistic missiles nearby.

As Hong Kong's master, however, Beijing has had to applaud a process that, while far from fully democratic, would mark a revolution if it were extended from the 6.4 million people living in

Britain's former colony to the 1.2 billion in mainland China.

"I hope that China will learn that democratic elections... do not necessarily lead to chaos, do not necessarily lead to confrontation between the elected assembly and the government, do not necessarily make political parties adopt a short-sighted populist line," said Tsang Yok-sing, leader of the main pro-Beijing party, the Democratic Alliance for the Betterment of Hong Kong.

Mr Tsang scraped to victory in Kowloon West. Ironically, his victory, along with that of a handful of other pro-Beijing candidates who dared to stand for directly elected seats, may sharpen Beijing's unease.

China will find it more difficult to dismiss an election won by some of its supporters.

Compared with Hong Kong's previous election in 1995, Sunday's poll was in some ways a step backwards. It was less democratic than the last British-supervised

poll, held under an electoral system devised by the governor, Chris Patten.

With Mr Patten gone and his reforms scrapped, Hong Kong retreated to a system in which 40 of the 60 members of the legislative council were chosen by small groups of professionals and an electoral college stacked with pro-Beijing stalwarts.

The big winners in the 20 contests in which universal suffrage applied were the Democratic Party and its allies. Their success, though, was more than offset by the strength of their opponents in the so-called "functional constituencies". While the Democratic Party leader, Martin Lee, won a seat with 143,843 votes, an insurance broker secured a "functional constituency" seat with 94 votes.

Such unfairness outraged Hong Kong democrats and provoked a demand for all members to be directly elected in future. Even pro-China candidates such as Mr Tsang voiced unease.

China, and the man it appointed to run Hong Kong, the shipping tycoon, Tung Chee-hwa, have made it clear that they will resist attempts to speed up the pace of democratic reform outlined in the Basic Law, a constitution scripted by Beijing. A bigger headache for China, though, will be calls in other parts of the country for a taste of what Hong Kong already has.

"The presence of Hong Kong as a free and open society within Chinese territory... has a tremendous impact on China," said Albert Ho, another Democratic Party victor.

"People here speak their mind without fear... Across the Shenzhen river there are so many prohibitions. People will ask: why the difference?"

Leader column, page 9

Abkhaz forces push to border with Georgia

James Meek in Moscow

GEORGIA cancelled a military parade in the capital, Tbilisi, yesterday and there were reports of heavy armour on the move in the separatist region of Abkhazia as President Eduard Shevardnadze came under increasing pressure to strike back against the rebels who have sent a fresh wave of refugees fleeing the Black Sea province.

With Russian peacekeepers and a handful of United Nations observers caught in the middle, Abkhazian troops continued their sweep through the supposedly neutral buffer zone around the town of Gali, driving out Georgian partisans and emptying villages right up to the edge of the territory controlled by Georgian forces.

"The Abkhazians have orders not to burn houses," an aid official in Tbilisi said yesterday. "But still, they burn houses." There are fears that what began in recent days as a clash between the Abkhazians and Georgian partisans could spread into a wider conflict, dragging Georgian forces and Russian troops into a repeat of the 1992-3 war, in which 10,000 people were killed.

Each side gives different reports of casualties, although both say the number is in the hundreds. At least 3,000 and perhaps as many as 15,000 civilians have fled.

Reporters on the Georgian-controlled side of the Inguri river, which marks the de facto border between Georgia proper and rebel Abkhazia, saw smoke around the village of Tagliani on the far bank and heard gunfire and explosions yesterday. Hundreds of refugees streaming across a railway bridge said the Abkhazians had overrun Tagliani. There were reports that the Abkhazians were threatening to destroy a hydroelectric station on the river, controlled jointly by the warring sides, which normally provides Georgia with 40 per cent of its electricity. Mr Shevardnadze did not make his usual national radio broadcast yesterday as he consulted ministers and advisers yesterday.

Today is Georgia's national

day, and there was speculation that the cancellation of the scheduled military parade might mean Georgian troops and heavy equipment were being transferred westwards.

Lavin Bots, the UN's deputy special envoy to Georgia, reportedly left for the Abkhaz capital Sukhumi with a Georgian government representative for talks with the rebels.

Mr Shevardnadze barely escaped Abkhazia with his life in 1992 when Abkhaz rebels, in all likelihood with Russian backing, drove Georgian government forces out of the sub-tropical maritime region, once the Soviet Union's leading resort zone.

Hundreds of thousands of ethnic Georgians fled, creating an angry constituency for forced reconquest which has

gnawed at the president ever since. Since 1993 Georgians had been trickling back to their homes in Gali district under the protection of a Russian peacekeeping force.

Georgian partisan groups, including a band called the White Legion, went among them carrying out acts of sabotage and attacking Abkhaz troops.

An aid official who was in Gali at the weekend said yesterday that the Abkhazians had tried to move tanks into the district to crush the partisans, but had been stopped by Russian peacekeepers.

The Russians did not stop hundreds of heavily-armed Abkhaz "policemen" entering Gali in buses, he said. But the Abkhazians had found partisan resistance stiffer than they expected.

The food vendors are barred from large stretches of the avenues which run north-to-south through Manhattan, as well as from streets next to parks and squares and from some

tourist traps. But in the east-to-west side-streets they are given a largely free rein.

Reflecting New York's cosmopolitan nature, the vendors' carts offer a huge mix of ethnic specialties as well as more familiar American foods such as hot dogs and pretzels.

Defying the attempts of Mr Giuliani's greatest predecessor, Mayor Fiorello La Guardia, to corral them into indoor markets during the 1930s, the carts have long catered to a city that is almost always in a hurry.

Mr Giuliani's objections do not seem to be environmental. Unlike London's pungent burger and hot dog generate a little olfactory street pollution.

New Yorkers eat in the street much less than Londoners, so the stalls generate less litter than London fast-food outlets. Indeed the carts play such a promi-

nent role in New York life that even Mr Giuliani's supporters are flummoxed that he has taken them on.

"It's like he wants to make this like a communist country," says Carlos Diaz, a New York bank employee who has voted twice for Mr Giuliani but considers the new campaign ridiculous.

"The carts are for when you are in a hurry and don't have time to go some place else," says Andrea Bamilovich, a tourist from Ohio.

The Big Apple Food Vendors Association plans to hold a protest meeting in Manhattan on Thursday.

The association is to raise money for a legal challenge and is organising a rally for next month.

But most vendors seem resigned to defeat. If even the New York taxi drivers could not beat Mr Giuliani's attempts to enforce a new civility code, they reason, then the food hawkers have little chance.



Labour leader Mochtar Pakpahan, left, and Sri Bintang Pamungkas and wife Ernalia. PHOTOGRAPH: CHARLES DHARAPAK

Habibie outlines his reform plans

Nick Cumming-Bruce in Jakarta

INDONESIA'S new leader, President Jusuf Habibie, used his first cabinet meeting yesterday to announce sweeping political, legal and economic reforms, in an effort to calm domestic agitation and persuade the international financial community that he can stabilise the country.

Yielding to popular demand and pressure from cabinet ministers, Mr Habibie is committed to holding an election "as soon as possible", a senior official said yesterday.

The poll would follow an overhaul of Indonesia's restrictive election laws. Mr Habibie told opposition leaders that this should occur within a year.

He also discussed widening the right to organise, allowing anyone to form a political party, his chief spokesman, Akbar Tandjung, said.

The government took steps to curb the economic privileges enjoyed by Mr Suharto's rapacious and highly unpopular children. The national oil company, Pertamina, is to drop contracts to sell oil to two affiliates partly owned by the Suharto family. Mr Habibie, whom critics call a "super nepotist", has moved relatives from state-related businesses.

But the government's intention to release political detainees in an effort to break with the past and find favour with a sceptical public may prove a crucial test of Mr Habibie's plans for reform.

The prison gates will finally

open this morning to free two of Indonesia's most prominent political detainees, the labour leader Mochtar Pakpahan and the Suharto critic Sri Bintang Pamungkas.

Yesterday they opened to admit journalists as the two prisoners took to a balcony of the prison to proclaim their imminent freedom to a packed crowd.

Their expected release turned Cipinang prison from a grim instrument of former President Suharto's repression into a political carnival. Banners calling for freedom for the East Timorese leader Xanana Gusmao and the 400 political detainees were draped over the perimeter fence while students danced and sang protest songs.

"This is our Bastille day," said Goenawan Mohamad, a former magazine editor and respected writer, adding that it was Mr Habibie's chance "to be remembered in Indonesian history as a liberator".

Mr Pamungkas told the crowds that he was being released without conditions and the government would apologise for mishandling his case.

But the reservations of the justice minister, Mr Muladi, a Suharto critic well regarded by Indonesia's human rights community, show that the release of detainees will be neither so comprehensive or so smooth.

The military continues to oppose the release of those linked to the former Communist Party, including Cipinang's oldest and longest-serving prisoner, the 72-year-old Lieutenant-Colonel Latief, jailed 32 years ago.

Mayor puts bite on New York food sellers

Martin Kettle in Washington

Swiss own up to 'dead gold'

Ian Traynor in Bonn

A SWISS government commission admitted for the first time yesterday that some of the plundered gold channelled to the Swiss national bank from Nazi Germany during the second world war came from concentration camp victims.

While the report by a panel of historians did not confirm whether the gold included fillings ripped from the mouths of camp inmates, it said it was beyond doubt that the scores of tons of Nazi gold included 119.5 kilograms (264lb) smelted from the watches, coins and jewellery of Holocaust victims.

The amount of so-called dead gold mentioned in the report is less than estimates of some researchers and United States organisations, who contend that as much as 600kg of victims' gold was moved into Switzerland. But yesterday's figure was triple that suggested in a US government report last year.

The panel of historians from Switzerland, the US, Israel, Britain and Poland said in a 200-page interim report that the Swiss national bank could not have known the origins of the gold. It had been passed by the SS to the Reichsbank, then to the German smelting firm Degussa for processing into ingots before being sent abroad.

But the bank came in for some unequivocal criticism of its wartime activities. From 1941, when the Holocaust got under way, its bosses were "increasingly aware that Jews and other persecuted groups were being robbed", the report said.

"In 1943, at the latest, the SNB had knowledge of the systematic extermination of victims of the Nazi regime. None the less, SNB decision makers neglected taking measures to distinguish looted gold from the other gold."

The report estimated the Holocaust victims' valuables at 562,000 Swiss francs at war-time prices, while the overall value of the Nazi gold handled by the SNB was put at \$280 million, the equivalent of £1.36 billion at today's prices.

The report is seen as a crucial stage towards settling the two-year row between the US and Switzerland over the Nazi gold scandal. The US is threatening to boycott Swiss banks pending lawsuits and argument about the level of compensation to be given to Holocaust survivors or their relatives.

The SNB responded to the report by voicing regret that it had handled stolen valuables, but said reparations already agreed meant it did not need to take further action.

"The bank regrets most profoundly that in accepting gold deliveries from the Reichsbank it may unwittingly also have acquired gold deriving from victims of concentration camps," its statement said.

The bank has already agreed to make 100 million Swiss francs (\$41 million) available to a humanitarian fund for Holocaust victims.

Jean-François Bergier, the Swiss professor who chairs the panel, told journalists in Zurich that the Swiss national bank had pursued a policy of "business as usual" with Hitler's backers, although "it was clear that Germany was appropriating gold illegally".

The report also reveals that as early as 1942 the SNB considered resmelted the Nazi gold to disguise its origins.

Until the very last days of the war, it said, the SNB, Swiss commercial banks and Swiss insurance companies were arguing vehemently in favour of continuing to buy and trade in Nazi gold, despite Allied warnings.

SNB officials contended that buying Nazi gold had dissuaded Hitler from invading Switzerland.



Presidential guards in traditional Greek uniform march in Athens before forming a guard of honour for King Juan Carlos and Queen Sophia of Spain

PHOTOGRAPH: YANNIS BEHRANIS

Greeks who kicked out a king put best foot forward for visiting Spanish royal couple

Helena Smith in Athens

A HISTORIC visit to Greece by the king and queen of Spain got off to a surreal start yesterday when the Socialist government, seeking to distance itself from its anti-monarchist views, dispatched two fighter jets to greet the couple in Greek airspace.

King Juan Carlos and Queen Sophia, a former Greek princess, appeared

bemused as they stepped on to the red carpet at Athens. Spanish officials attributed Sophia's stilted smile to her "emotion" at being allowed into a country that has stripped her brother, the former King Constantine, of his citizenship and property.

Greeks have been fiercely anti-royalist since abolishing the monarchy in 1974 after the collapse of a hated military dictatorship. Constantine was allowed

home in 1993 but the government sent jets to trail his yacht after he said he wanted to "resume duties".

Queen Sophia, whose only visit to Greece was for her mother's funeral in 1981, will not have overlooked her brother's fight against the Greek government. Last month the former king, who lives in London, won the first stage of his battle to regain his assets before the European Commission of Human Rights. His family's

property and passports were seized by Greece five years ago.

Constantine, who is the Duke of Edinburgh's cousin, has been told he can regain his property only if he gives up his claim to the throne.

Greek television showed the prime minister, Costas Karamanlis, who is keen to improve ties with Madrid, nervously awaiting the royals at the presidential palace in Athens — a build-

ing Sophia's uncle had built in the early 19th century. Mr Simitis and his wife Daphne appeared to be giving each other instructions on how best to greet the couple.

"We have been working round the clock for months now to get things right," said a spokeswoman at the foreign ministry. "Sophia may be Greek but she is first and foremost the Queen of Spain. We want everything to be perfect."

High-flyer Chirac heads for fatal fall

Jon Henley in Paris on how the president's past may catch him up

A S A young man Jacques Chirac was dubbed "the helicopter" by his friends for an endearing habit of waving his arms when trying to make a point. These days the French president is still flailing — but he is flying in ever-decreasing circles.

Three years into his seven-year term, and a year after a catastrophic snap election that forced him to cohabitate with a Socialist-led government, Mr Chirac is master of little more than his Elysée palace and presidential jet.

No one denies his energy. He has always been a man of action, impulsive, quick to make up his mind and equally quick to change it.

Few Western heads of state can boast on their CV "expelled from school" and "ran away to sea" — which he did to avoid the May 1968 student revolt.

But as he struggles in an uncomfortable situation which is largely of his own making, the suspicion is growing that he may not be the stuff of which presidents are made.

His position is not helped by the whirl of sleaze last week from Paris town hall, his stronghold as mayor for nearly 20 years. Magistrates are investigating allegations that it was stuffed with party workers and turned into a Gaullist RPR machine to launch Mr Chirac at the presidency.

With the media already talking of a possible "Freuch Watergate", Mr Chirac — who has merely expressed "concern" at the mudslinging — is in danger of a serious dent in his regal image.

The president feels a need for self-justification. "I assume in their plenitude the powers and responsibilities of my office," he said with characteristic pomp in his New Year's address. "Guarantor of the continuity of the state, I am also the guardian of the values of the republic."

But throughout Mr Chirac's

quent but empty words seem to be all Mr Chirac has left. Since the election debate plunged the RPR into disarray, he has had nothing very much to do.

On the home front, the Socialist-Communist-Green coalition headed by Lionel Jospin, the prime minister, is winning high ratings.

The right, however, is traumatised by its general election loss and the regional polls in March, when four mainstream rightwing politicians allied with the National Front.

The constitution gives the head of state the right to represent France abroad. But while he continues to travel the globe in energetic fashion, Mr Chirac's role in foreign and security issues is severely restricted by Mr Jospin and his seasoned foreign minister, Hubert Védrine.

Observers say it may have been Mr Chirac's desperation to make his weight felt that led him to insist on the widely criticised deal earlier this month that allows a Frenchman to step in early as head of Europe's new central bank.

But many see something deeper in his malaise. A school report may have put his finger on it. "A lively and curious mind," wrote the future president's history teacher. "A good appetite for work. But more spontaneous than given to reflection."

Born in 1933, the son of a banker and financial adviser, Jacques Chirac was a bright but wilful boy. Army service in Algeria marked him profoundly, his biographers say, and there he learned the taste for "doing something, anything, when you need to get out of trouble".

Then followed the elite Ecole Nationale d'Administration, and a well-trodden path to power. He was given his first ministerial job at the age of 34, and became prime minister under Valéry Giscard d'Estaing.



Jacques Chirac: Beset by difficulties, some are asking whether he has the right stuff

career, his critics claim, his guiding star has been not political conviction but an overriding personal ambition.

"There is a lot that's positive about him," says Jean-Marie Colombani of Le Monde, author of a new book on Mr Chirac.

"He has a profound love for his country and his people. His conviction that national unity is still fragile, and that any new reform likely to endanger it must be avoided, nourishes in him a conservatism in which many French people recognise themselves."

But Mr Colombani believes he lacks statesmanlike qualities: unlike a De Gaulle, a Giscard or even a Mitterrand, he has no analysis of how the

world — and France — will develop, no strategic plan, no consistent political programme, and no deeply held convictions.

Everything is about human contact, off-the-cuff decisions, the bulldozer blow to knock your opponent sideways.

"All this feeds two regrettable phenomena that recur throughout his public life," says Mr Colombani: "Constant and unforeseeable about-turns, and a penchant for decisions that are not thought through and whose consequences are rarely anticipated."

The president has changed his mind often on Europe, on the economy, on computers, the welfare state and privatisation.

Although well-liked by the majority of the French, he is now confined to flamboyant but largely empty pronouncements and heavy-handed gesture abroad.

Some say the longer the cohabitation continues, the more Mr Chirac will fade. Others say he is biding his time, waiting for Mr Jospin's popularity to wane.

Either way, this week's corruption allegations called the future of the cohabitation into question, suggest the president's future may be decided by the ambition of his past.

If it is ever proved that Mr Chirac knew what was going on at Paris town hall, even the helicopter may be grounded.

Scandal 'poses risk to state'

A S SPECULATION that a party funding scandal could envelop President Jacques Chirac and his former prime minister grew, the Gaullist RPR party warned yesterday that the French state could be at risk unless new rules on political financing were tabled soon, writes Jon Henley.

Any government which fails to create the legal conditions which allow for a painless move from the existing system of state funding to an organised system risks contributing to the dismantling of the state," said the party's leader, Philippe Séguin.

The RPR is the subject of more than a dozen corruption inquiries in the Paris region following allegations that it sold public construction and services contracts to the highest bidder and placed hundreds of party supporters and workers in phantom jobs at Paris town hall.

Allegations of illicit funding, mainly through kick-backs on public contracts, have plagued all the main French political parties in recent years. Companies were banned from financing political parties in 1994 after a string of inquiries into covert firms used for channelling funds. In principle, legitimate party and campaign expenses should now be funded exclusively by the state.

But Mr Séguin said the present system was hopelessly inadequate, adding that France was "perpetuating risks which we cannot ward off unless we define a clear set of statutes for all elected representatives".

Leftwing politicians have called for a full inquiry into the Paris scandal and asked whether Mr Chirac, who was mayor of Paris for nearly 20 years until 1995, will eventually have to answer to the courts.

Hungary opts for youthful right

Nick Thorpe in Budapest

HUNGARY has been transformed overnight by the victory of Viktor Orbán's centre-right Fidesz party over the ruling Socialist-Liberal coalition in the second round of the general election.

The triumph of Fidesz, the Hungarian Civic Party, on Sunday is a bitter blow to the generation of managers and civil servants which rose to economic and political power in the last decade of communist rule in the 1980s and has run the country almost unchallenged ever since.

The Budapest stock market, however, reacted nervously to the defeat of the former communists at the hands of a rightwing three-party coalition, with stocks slumping by almost 9 per cent yesterday.

Mr Orbán, aged 35 this week, will be the country's youngest prime minister this century. He will need to establish his credentials quickly for a business community that was satisfied with the sober administrative skills of the government of former prime minister Gyula Horn.

"In 1990 we naively believed that this power group would collapse," Elemér Hankiss, a leading sociologist, said. "In fact, since 1994, their power has only got stronger."

Mr Orbán, a fierce anti-communist in uneasy alliance

Results

Fidesz	seats
Smallholders	48
Democratic Forum	17
Justice and Life Party	14
Socialists	134
Free Democrats	24
Independent	1

with the rightwing Smallholders' Party of firebrand József Torgyán and the nationalist Hungarian Democratic Forum, may be tempted to try to dismantle the Socialist-dominated apparatus that has held the levers of power.

But his triumph also appears to signal the arrival of a new generation of east European politicians. As part of the group of law students who founded Fidesz in March 1988 to rival the Young Communists, he was beaten by police for his political activities and is a strong symbol of the party he led to victory.

During the election campaign, he attacked the Socialists from both left and right. In a televised debate with Mr Horn, he condemned the Socialists for abolishing automatic child benefit, and promised to reintroduce it.

He also accused the government of squandering revenue from privatisation, and of ignoring the needs of small and medium-sized businesses.

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lying
oldies

Handover to democracy

Hong Kong's good start

EVERYONE CAN take satisfaction from the Hong Kong elections, and the supporters of democracy most of all. The result shows beyond shadow of doubt that where the voters can cast their votes directly, the great majority will choose candidates who are committed to a fully democratic system. This ballot for the one-third of seats in the Legislative Council chosen by direct elections is the only sure test of Hong Kong public opinion. (The other two-thirds — 40 out of the total of 60 seats — were selected on Sunday either through "functional constituencies" or through an "election committee", both of which have an extremely limited and mostly pro-Beijing franchise.) It has produced a resounding victory for Martin Lee, his Democratic Party, and the outspoken independents associated with the same cause. And it is a result which the Chinese government, now in a more forward-looking mood, would be well advised to consider very positively.

In doing so, Beijing may quite legitimately regard the result as a success for its policies too. What better proof that it is honouring the "one country two systems arrangement" than an election won — in the area directly contested — by some of the Chinese government's most outspoken critics? Of course there has been some tilting towards Beijing by the Hong Kong elite — just as it used to tilt towards London. There is also more self-censorship in the Hong Kong press, although a good deal of criticism continues to be expressed.

But Chinese officials have refrained visibly from interfering in Hong Kong and the widespread notion abroad that "things have changed" in an irreversible sense is simply not true.

The Chief Executive, Tung Chee-hwa, is also entitled to claim the election as a success. The complex electoral system which he introduced was generally regarded as a disincentive to vote. It was taken almost for granted that the poll would barely match the 35 per cent of registered voters in the last, British run, election of 1995. Yet instead, Hong Kongers defied both predictions and torrential rain to turn out in numbers far greater than were ever achieved under British rule. Some of those votes may have been cast to punish Mr Tung for rewriting the rules to marginalise the Democrats. But a great many seem to have expressed a patriotic view that, in the first election under Chinese rule, Hong Kongers had a duty to make it a success.

Will China and the Hong Kong establishment draw the right conclusion? There are still those ageing conservatives in Beijing who throw a fit at the mere mention of Mr Lee, and who cannot forget that the students in Tiananmen Square were calling for democracy too. Tsang Yok-sing, the independent-minded leader of the pro-Chinese Democratic Alliance for the Betterment of Hong Kong (DAB) who narrowly won his seat, offered some good advice yesterday to such people. He hoped China would learn that "democratic elections don't necessarily lead to chaos (or) to confrontation between the elected people and the government".

The issue now is the timetable for the transition to a Legislative Council which is fully chosen — in the words of the Chinese Basic Law governing Hong Kong — by

"universal suffrage". At present the Law provides for a review after the year 2007 (by which time half the seats will be directly elected) to decide how to achieve the aim. Hong Kong officials are describing this result as a solid foundation for that review: indeed few dispute that there will be full democracy if not in 2007 then very soon after. The question raised by this election is whether it should be introduced earlier. Mr Lee says that Hong Kong people "want democracy now": even Mr Tsang suggests looking at the timetable. There is a problem in any proposal which means revising the Basic Law: it could set a precedent for less favourable revision. At any rate the subject is now on the agenda, and Hong Kong politics after a troubling transition seems in unexpectedly good shape. That is a result of which everyone can be in favour.

Unarmed code

It only scratches the surface

THE NEW EUROPEAN code of conduct on the arms trade could not come at a more symbolic moment, with the collapse of the Suharto regime after decades of Western support — including regrettably the supply of British arms. Anything which brings into greater visibility this secretive and lethal business is an advance: the new code is evidently better than no code, and to have reached agreement at all between rival EU pressures is something of a diplomatic success. But we need to be cool-headed about what has been achieved and how much difference it will really make.

The nub of the new code is the provision that when a member state turns down an arms sale on grounds relating to human rights or similar issues, it must notify all

other EU countries. This would in theory have a deterrent effect on the would-be buyer being successful elsewhere. Further, if another member state is approached for the same transaction within three years, it must inform the country which originally refused: again the assumption is that this would be likely to deter the sale. The objection of the Tory shadow foreign secretary, Michael Howard, to this provision is specious. Mr Howard claims this would amount to offering Britain's competitors the same deal "on a plate". But a frustrated purchaser will seek satisfaction elsewhere in the market anyhow: it is surely better that the rest of the EU should be warned off in advance. Failing to provide for notification to all EU members by a subsequent potential vendor is more serious and may weaken the deterrent effect. If this is the price paid for getting the French on board, it has been a high one.

The code also provides for national reports to be circulated between the member states, but not for publication. Only an edited and consolidated EU report will see the light of day. This is also unsatisfactory: one of the biggest safeguards in policing arms sales is publicity and much more transparency will be needed if this code is not to become a mere exercise in shuffling paper around. Robin Cook may be right that it breaks new ground, but it has only just dented the surface.

Ethical jeans

Who is paying the price?

MANY OF US will have put on a pair of jeans over the Bank Holiday weekend, dressing down to enjoy a couple of days relaxation. Others will dress up with a pair

of fashion jeans. As the ad from Calvin Klein has it, "Be good. Be bad. Just be."

Unfortunately in this environmentally challenged age, jeans cannot "just be". They are certainly good for everyday wearing, tough, cheap and replaceable when they start sagging. They are extremely good too for business across the world: jeans are the global clothing equivalent of Cola. But the development magazine *New Internationalist* now argues in a special issue that jeans are extremely bad for the environment and for the low-paid workers who produce them.

Cotton, the essential fabric for jeans, has become one of the world's largest cash crops, using 25 per cent of world pesticides. An estimated 20,000 deaths a year among peasant producers are attributable to cotton. Some farmers do well, but many suffer from over-production or from blights which become immune to the chemicals. Stitching jeans is labour intensive: nearly all are put together in sweatshops and private homes. Countries such as Bangladesh and Turkey, where jeans are little worn, import vast quantities of denim to be made up. Jeans are cheap because globalised labour is cheap. Mexican garment workers earn one-fifth to one-tenth the already low hourly rate paid across the border in Los Angeles.

We may pretend this is just Third World lobby whingeing, or we may try to do something about it. Producers should be encouraged to use more benign methods of cultivation. These can be cheaper too — diluted urine is a good pesticide. The big labels should be challenged to allow independent monitoring on wages and conditions. Let's leave an ethical foreign policy to others. We should be prepared to pay more for an ethical jeans policy.

New Internationalist, June 1998, PO Box 79, Hertford, SG14 1AQ.

Letters to the Editor

The lowdown on high art

REFORM of the Arts Council is long overdue (General comments art elders to fight, May 23). The pentant resignations of members of the drama and dance panels are good news for performing artists, who may at last be freed from the bizarre bureaucratic demands made on their creativity in exchange for funding. Instead of bleating, the arts establishment should embrace change.

Anne Sacks, London.

WE are doing all we can to keep the reading rooms at our flagship building open to match users' needs (Letters, May 18). We offer services late on two evenings and all day on Saturdays. But the opening of our new building has coincided with a considerable funding gap. We have also cut acquisitions and preservation budgets, reduced the levels of maintenance work and are holding many posts open to save salary costs.

M J Crump, Director, Readers' Services, British Library, London.

SO John Halliday is looking for Paul McCartney's childhood home (Shy guide missed chance to see Beatles, May 21). Whatever next? Francoise Hardy to polish the drum-kit of Ringo Starr? Georges Brassens to dry-clean George Harrison's kaftans? Charles Aznavour to preserve the memory of John Lennon? *C'est une chose que tout le monde aime*... you might say.

Chris White, London.

SURELY John Redwood's SPD was from the University of Vulcan, not Krypton (Backside in the hothouse, May 25). Spock, maybe, but not Superman. Stephen Keene, Bury, Lancs.

War of words on Ireland

I AM shocked by the partisan article of the *Guardian's* front page (Adams told: it's time to deliver, May 25). Listeners to BBC Radio 4 on Sunday heard Gerry Adams make two unequivocal points, unambiguously and at length: first that he respects the right to march, at Drumcree and elsewhere; and secondly that he is committed to decommissioning. Whether one entirely believes him is another question, but in fairness, this is what he actually said.

Your article quite omits the former. Adams's proposal as broadcast was that those organising the marches review the routes as a gesture to community sensitivity, not a demand that they be called off. It seems to me that Mr Blair has missed a surefire way of ensuring a massive vote for the assembly. If he had arranged

on decommissioning, your article not only ignores Adams's commitment as broadcast, but also follows the weary establishment line of placing the onus on nationalists to disarm, yet again overlooking loyalist stockpiles.

Appalling though the recent past has been (and Adams must take his share of the blame) the media now have a vital role in helping debate root itself in words rather than weapons. Ignoring what people say and should be confronting is, well, not entirely appropriate. Christopher Naylor, Fiddlinghoe, E Sussex.

AT this momentous time when the future of Ireland seems to me that Mr Blair has missed a surefire way of ensuring a massive vote for the assembly. If he had arranged

the question on the ballot in such a way that a No was for the assembly, Mr Paisley and his riders of the apocalypse would never have got their heads round campaigning for a Yes vote, it goes against 300 years of tradition. Problem solved.

Yours as a Proad who likes to say Yes, Pete Clarke, Ballymena, Northern Ireland.

WHY can't religious people accept that the progress in Northern Ireland has been achieved by the interaction of human beings mixed in with a bit of luck. If God did have anything to do with it, he should be informed that he was 25 years and 3,000 lives late.

Tony Morris, Oxford Humanists, Abingdon, Oxford.

Way forward

THE debate between Anthony Giddens and Hilary Wainwright (Is there such a thing as a Third Way in politics, Saturday, May 23) reached significance only in the last paragraph. Giddens commented that national states had wreaked far more havoc than corporations. This is now the central issue in socialism: will the world be ruled by democracy or by transnational corporations, (what used to be called "international capitalism")?

A national state at least allows for the democratic choice of policy affecting all its people. No one could say that of a corporation, where the demand of profit or even of the core business of the enterprise, distorts our lives in the interests of the unelected few who do not have to live in the same environment. What would it be like in such an

environment (not a society, surely), where all our communication and media was provided by Murdoch, our food by Tesco and our power by British Nuclear Fuels, with no possibility of altering decisions made in boardrooms thousands of miles away.

Forget about epithets like "old left", that world of a frightening future is nearly with us — and that is why Hilary Wainwright's view is absolutely correct. If the Third Way means anything, it must be that the state determines how private finance should be utilised, not left as a vague generalisation which will allow the corporations to rule politics, as with Clinton's Democrats. It should be the task of a Labour government to carry this out and work with other democratic movements throughout the world in stopping the transnational advance. R L Symonds, Mereworth, Kent.

Puff for grass

THE over-emphasis in the north on tropical rain forests has detracted from the greater importance of other tropical ecosystems (Tearing up of the rain forest, May 23). The savannahs occupy 45 per cent of South America, 65 per cent of Africa, and 60 per cent of Australia and their core areas are often considerably older than rain forests. Also 80 per cent of the world's population inhabit monsoonal lands. In stressing the importance of savannahs, the ecological agenda becomes more southern and less northern.

Prof Philip Stott, Professor of Biogeography, University of London.

We do not publish letters where only an e-mail address is supplied; please include a full postal address. The Country Diary is on page 10



How the CPS hit a losing streak

THE previous government badly mismanaged the setting up of the CPS, failing to provide enough resources and leaving it consistently understaffed. Barbara Mills stepped into the morass hard on the heels of the scandal surrounding her predecessor, Alan Greaves (Woman who carved a legal career in a man's world, May 31).

The CPS is in a no-win situation. If it brings prosecutions that fail, it is accused of wasting taxpayers' money. If it doesn't bring prosecutions, it is accused of being too soft.

It is rich in certain leaders of the Police Federation to cast aspersions and to dub it as the

"criminal protection society" when they are so strangely quiet over the police failings in the Stephen Lawrence Inquiry. If Barbara Mills' decision to leave was connected to concern over the proposed reorganisation of the CPS into areas coinciding with police force boundaries, then it is a concern we share. The service must be clearly seen as a national, truly independent service, particularly in view of the major miscarriages of justice seen in the past.

Barry Beaumont, Joint general secretary, Public and Commercial Services' Union, London.

Odious debts

THERE is a precedent which could be cited by debtor countries to revoke payment of foreign debts (Letters, May 16). The Doctrine of Odious Debts was developed by the US government in the aftermath of the American-Spanish War and was used to repudiate Cuba's debt to Spain. The US argued that the debt was "odious" and unenforceable since it had been incurred without the consent of the Cuban

people. It further argued that the creditors had taken the risk. In 1923, when the Royal Bank of Canada sought to recover debt from the recently established democratic government of Costa Rica, the new government argued that it had been incurred by a dictator and not the people of Costa Rica. The case was heard by Chief Justice Taft of the US Supreme Court, sitting as arbitrator, who upheld the repudiation of the debt. C van Gelderen, Cambridge.

Bank on Microsoft — but recycle old kit for the poor

CONSUMERS will suffer as a result of the legal action by Microsoft's rivals (Tangles in the Net, May 20); they will suffer even more if the action succeeds. Microsoft is not cornering the internet. On my PC, I use Microsoft's Explorer for Computers, Netscape's Navigator for my current account bank software (Natwest) and either for my savings bank software (Nationwide). They all use Microsoft's Windows and provide their much valued services through the internet.

Isaac Khazaba, London.

most obvious solution — obsolete but working computers could be sent to refugee camps and schools around the world. Bosnian refugees lived in camps in Slovenia for several years. They were fed and clothed but little attention was paid to teaching them skills with which they could eventually rebuild their lives and their country's economy. This was particularly wasteful in the case of children, who could have spent those years becoming computer experts — if they had access to any old computer.

During the next year, many companies which are concerned with the millennium bug will replace their equipment. If this equipment found its way to deprived areas, year 2000 could give children of the world a chance in life. Savings on recycling costs envisaged by the EU could pay for the maintenance, transport and training. Jana Valencic, London.

Miller export



WHAT do the British see in Arthur Miller which people in his own country don't get? For nearly 30 years, it has been a commonplace that Miller — universally regarded as America's greatest living playwright — is appreciated more in London than here. In New York, Miller can't make a living here: he admits that, he's not getting the audi-

ences or the theatres or the backing — something his plays don't happen. *Death of a Salesman*. After *The Fall*, all my sons — these are powerful dramas, but if you've seen them, you saw them in London. Even *The Crucible*, the film, was a British vision — directed by Nicholas Hyman (and while reasonably well received was otherwise a financial flop).

On the occasion of a new play by Miller, his 90th, Mr Peters' Connections — which opened here last week — I've been leafing through the reviews that this great playwright has got over the last 20 or so years. It makes for grumpy reading. Miller has been called a realist when he was expected to be a socialist, a surrealist when it was assumed he was a naturalist, and unforgivingly dark when he was expected to be — well, unforgivingly dark. He has been described as America's most classical playwright, its most

avant garde, and its most backward. But, in all these different depictions, he has always been implacably serious. Miller's questions are big questions: the brutality of American capitalism, the ruthlessness of the McCarthy hearings, the immensities of those in power, the tragedy of celebrity.

The new play is not a tragedy, although, characteristically, there are not many belly laughs. It is the last in a series of recent (and therefore rarely performed) Arthur Miller works put on this past year by the Signature Theatre, a small 120-seat place at the bottom of a tower block on the extreme west side of Manhattan: so off-Broadway that it's actually closer to New Jersey. The play stars Peter Falk — the shambolic, shuffling detective of *Columbo* — who is Mr Peters, a retired PanAm airline pilot who wanders into the basement of an old neglected nightclub, where he awakes his wife. A man appears, an estate

agent, it seems, who believes that Mr Peters will want to buy the nightclub once his wife turns up. A young couple appear, looking for a loo, and then don't leave. Eventually the much-awaited-for wife arrives, imperious and loud and animated, and then falls asleep. And that, more or less, is the story as such.

AS such, there is no story. Mr Peters would seem to be something like a version of Mr Miller, his mouthpiece, an ageing man, nostalgic for days when he enjoyed an active libido and happy to share rumination about life and death and the meaning of things. There is a recurrent question: "What is the subject?" There is a lot of talk about sleep: Are they about to fall asleep? Is the audience? I don't want to be cruel, because I was happy to see the play, even if it was ultimately

more interesting than entertaining and was interesting principally because it was a stage version of a monologue by Arthur Miller, not unlike an old man talking to himself. And, typically, this was no small talk. It was big talk — death and love and the connectiveness of things — an old man talking big talk to himself. My suspicion is that Miller's appeal in Britain is in his seriousness. After all, no indigenous talent could ever get away with the sort of sentimental big thought which fills his plays. But by being foreign, it's somehow excused; by being American, these unabashedly intellectual plays of no irony are tolerated by a culture otherwise distinguished by its self-consciousness — its fear of being called intellectual. It's analogous to the comparable appeal in Britain of Gore Vidal — or, possibly more apposite, Saul Bellow: consider Bellow's greatest and most articulate British admirer, Martin Amis,

the master of style and irony. I find myself looking at Miller from two shores. From the British and the American. And from the American, he is one of the grand-daddies of American letters, one of its literary lions in that same pantheon with so many masters of the grand style, taking on big American questions. Miller, Roth, Styron, Vidal. They are now grumpy lions, literary lions in winter. America has moved on. It isn't the same America which, with the Depression and the War alive in its memory, filled up the theatres in 1947 to watch *Death of a Salesman* or the America which, a decade later, with Joe McCarthy still conducting his Senate hearings, rushed out to see *The Crucible*. It's a more frivolous place, easier to tease and tickle and it's quickly bored. And Arthur Miller is asking too many serious questions ever to be properly popular in this America. But I'm still glad that he's around, asking them.

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Itzhak Modai

The nearly man of Israel

If good looks, talent, charm, charisma, vision, and the ability to save a country from economic ruin were all that was needed to reach the top of Israeli politics, then Itzhak Modai, who has died aged 72, would have made it. Had that happened, the face of Israel would have been changed, for he was a liberal and moderate. But he had two fatal shortcomings — he belonged to neither of the major parties and he had a propensity for personal quarrels over minor matters.

In 1965, his brilliance saved Israel from bankruptcy, when inflation rose to more than 450 per cent. As finance minister under the Labour prime minister Shimon Peres, Modai presented a package which hit every section of the population but which was accepted as a painful necessity. Within a comparatively short

A lawyer and skilful speaker, Modai appeared to be set for a spectacular political career. He was born in Tel Aviv to a religious family which had emigrated from eastern Europe. He graduated from the Haifa Technion with a degree in chemical engineering and later received a law degree from the Hebrew University and a BA from London University. He served as the treasury, justice, communications, economics and planning, and energy and infrastructure ministers.

Had he been a member of the Likud or the Labour Party he would undoubtedly have become prime minister. But he belonged to the tiny Liberal Party which merged with the Likud, giving him a Knesset seat. When he formed his own party, he was discarded by the electorate. Although never losing his liberal wit and sophistication, Modai became a somewhat tragic figure in Israeli politics. Everyone accepted that he was touched with genius but his quarrels frustrated his admirers. He could not keep silent — as I discovered during my many meetings with him. While still a minister, he launched a bitter personal attack on Shimon Peres and was duly dismissed from his post. Yet the sacking did not stop him making further hurtful comment.

He even finished his life on a note of disagreement. The current Israeli prime minister, Benjamin Netanyahu, appointed him as chairman of the Israel 50 Years Jubilee Events celebrations. But after holding the post for several months, Modai became disaffected over the lack of government support and resigned.

As one of his greatest opponents, the left-winger Yossi Sarid, remarked, Modai was "perhaps far too talented for Israeli politics". He is survived by his wife Michal, a son and a daughter.

Joseph Finkelstein

Itzhak Modai, politician, born January 17, 1926; died May 14, 1998

Birthdays

Helena Bonham-Carter, actress, 32; Gill Coleridge, literary agent, 50; Jeremy Corbyn, Labour MP, 49; Jim Doherty, Labour MP, 57; Roy Dotrice, actor, 73; Sir David English, editor-in-chief, Associated Newspapers, 67; Tony Greener, joint chairman, Diageo, 58; Alan Hollinghurst, novelist, 44; Prof. Walter Laqueur, historian, 77; Peggy Lee, singer, 81; Alec McCowen, actor, 73;

Anne McGuire, Labour MP, 49; Prof. William McCarthy, scholar of Hebrew, 57; Stevie Nicks, rock singer, 50; Zola Pieterse (nee Budd), runner, 32; Michael Portillo, former Conservative minister, 49; Prof. Sally Ride, American astronaut and physicist, 47; Ian Sparks, chief executive, The Children's Society, 55; Lord Stevens, chairman, United Nations, 62; Philip Treacy, fashion designer, 31; Glenn Turner, cricket coach, 51; Roger Westbrook, ambassador to Portugal, 57.

Pierre Fourcaud

In the service of France

A RECENT historian of de Gaulle and La France Libre's Pierre Fourcaud, who has died aged 100, as "a fearless adventurer". Whether he inspired admiration, anger or alarm, no-one could disagree with this judgement.

During the first world war, Fourcaud volunteered for service the moment he was 18 and was given officer's rank and decorated in the field. He left the army in 1920, rejoining in 1939 and commanding a battalion of overseas alpins. In June 1940, he was leading an independent fighting group when he was wounded. As soon as he had recovered, he made his way to England and reported to the French headquarters in Carlton Gardens towards the end of July. He held the rank of commandant and was then aged 42.

Between the wars, Fourcaud's many occupations included work with French intelligence. Most controversial was his possible membership of the extreme rightist political society Cagoule, although perhaps this connection can be explained by his intelligence experience determined his wartime work. He was one of the first to make clandestine journeys into

France, travelling in September 1940 via Portugal, returning to London in December. De Gaulle sent him back to France in January 1941.

Fourcaud's main task was to establish communications between southern France and England, building the "Bretagne" and "Vichyenne" radio networks. But, typically, he ventured into more controversial areas. He made contact with leading social-

Controversies about his person were largely forgotten. What was remembered was his bravery

ists who were anxious that they should not be outpaced by the communists in resistance activities. Their discussions on a political agreement with de Gaulle eventually led to the creation of the National Council of the Resistance, led by Jean Moulin, and the basis of de Gaulle's power in France.

Fourcaud also entered into contact with Vichy officers anxious to continue the war



Roll the revolution... Instead of an arbitrary sequence of disconnected items, Alvarez produced newscasts as a political argument

Santiago Alvarez

Fidel's poet laureate

THE film-maker Santiago Alvarez, who has died in Havana at the age of 79, was the man who put in 1959 in the first year of the revolution; Alvarez was already 40 years old when he made his first film. He once called himself a product of accelerated underdevelopment and was ever-grateful to the Cuban revolution for making him a film-maker and enabling him to fulfil his youthful dreams.

Politics was in his blood. Born in the working class district of Colon in Old Havana, he was the son of immigrant parents from Spain. When he was five years old, his father, a shopkeeper, was arrested for anarchist activities and spent two years in prison, while his young family struggled to survive on their own. Santiago started working at the age of 15 as a compositor's apprentice, became active in the union of graphic arts workers, went to night school, and set up a students' association.

At the end of the 1930s, he went to the United States working as a coal miner in Pennsylvania and as a dishwasher in New York. Back in Cuba in 1942, he joined the Communist Party and got a job in radio, and later in television. At first, he was put in charge of newscasts and quickly proceeded to turn them into a veritable art form, as well as a training ground for several generations of young film-makers in how to make films quickly, cheaply, and using whatever materials were at hand.

His attitude to newscasts was to turn it inside out. Instead of an arbitrary sequence of disconnected items, Alvarez produced newscasts as a political argument.

His style, Alvarez would say, "is the style of hatred for imperialism". One of his best known films of these years, *Hasta la victoria siempre* (Always Until Victory) was made in 48 hours flat to be shown in the Plaza de la Revolucio in Havana before Castro delivered his eulogy for Che Guevara.

Less well-known abroad are films like *Despegue a las 18:00* (Take off at 18:00) from 1963. This confronted the failures of the Cuban economy — though it was made in a Guevara-like spirit of

panicked Cuban athletes to the Pan-American Games in Puerto Rico, using the opportunity to turn out a biting satire on US imperialism named after the ship that took them there, *Cerro Pelado*. In 1967 came *Hanoi Mares 13* (Hanoi, Tuesday 13th), a lyrical and wordless 40-minute portrayal of what daily life was like in war-torn North Vietnam.

Both themes were revisited in *LEJ* (1968), a stunning satire on US political assassinations, and *79 Primavera* (79 Springs), a deeply poetic tribute to the Vietnamese leader Ho Chi Minh, made in 1969. "My style," Alvarez would say, "is the style of hatred for imperialism". One of his best known films of these years, *Hasta la victoria siempre* (Always Until Victory) was made in 48 hours flat to be shown in the Plaza de la Revolucio in Havana before Castro delivered his eulogy for Che Guevara.

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Michael Chanan

Santiago Alvarez, film-maker, born March 8 1919; died May 20 1998

Peter Brearey

Roads to freedom

PETER Brearey, who has died of cancer aged 58, was editor of the *Free Thinker*, the oldest free-thought paper in the world. He had read the paper and supported the National Secular Society all his life, and in 1969 he was appointed editor of the former and a director of the latter.

Born in Dewsbury, the son of a decorator and a textile-mender, Brearey was an old-fashioned Yorkshireman and working-class intellectual. He was brought up in a one-up, one-down cottage with an outside lavatory. He won a scholarship to the local grammar school, but got most of his education in the public library. He acquired a huge fund of information and a huge collection of books, and was a deeply cultured man, loving art and music, as well as literature.

At the age of 16, he started his own paper, the *Dewsbury Sentinel*, learning the trade of journalism the hard way. Later he worked for a dozen Northumberland and Yorkshire papers, eventually contributing to more than 300 periodicals. Active in the National Union of Journalists, he was editor of the *Observer*, and news editor at the *Wakefield Express*. With his wife Pamela, he produced *NHS Journals* in York-

shire. He also wrote *Never Say Scrop* (1981), an introduction for young journalists.

He was a member of the Young Communist League and later the Communist Party of Great Britain, selling its papers, defending its policies at open-air meetings, even at one time working for the party in London. He never lost his Marxist beliefs, gravitating towards the Socialist Party of Great Britain and even inclined towards anarchism. His last political act was to take medical supplies and writing equipment to Cuba. A free-thinker from a Methodist background, he abandoned religious belief in his teens, and rejected such terms as humanism.

Brearey was a heavy



Brearey... three great loves

smoker but abandoned drink in 1980 and worked with organisations for alcoholics. His three great loves were newspapers, women, and animals. He believed that the press was an important institution, and his views of modern media were unrepeatable. He was a passionate feminist, and his feelings for the opposite sex were returned with interest.

He looked like a Viking, tall, gaunt and bent, and he had a dry, ironical Yorkshire wit, coupled with a gentle charm and personal charisma which attracted even ideological opponents.

Last March he moved to the island of Sanday in Orkney, where he died and was buried in the garden after a secular ceremony. A copy of the new edition of the *Communist Manifesto*, wrapped in a red cloth, was put in his coffin. He was laid to rest to the sound of the Red Flag. He is survived by his wife and by his son from a previous relationship. He will be remembered with affection by many journalists, socialists, and free-thinkers.

Nicolas Walter

Peter Leslie Brearey, journalist, socialist and free thinker, born December 23, 1939; died May 7, 1998

Sir Alan Glyn

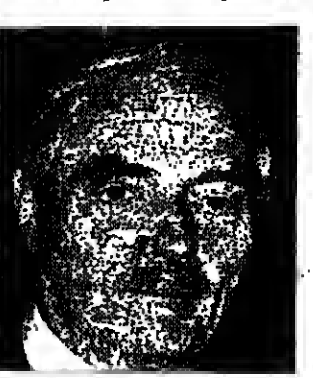
Right behind the lines

SIR Alan Glyn, who has died at 79, was almost a parody of the English eccentric who toured the world interfering in other people's revolutions. By the time he reached the Commons, where he served as the fussy, talkative MP for Clapham (1959-64), and Windsor and Maidenhead (1970-92), he had enjoyed three careers. He was set aside by his pre-war style formal clothes, courtliness, soup strainer, moustache and stoop.

The stoop came partly from a car accident but mainly from injuries suffered during the 1956 Hungarian uprising, when, as he would recount at length, Glyn had been caught in a small car in a column of 300 Soviet tanks while scouting on behalf of the insurgents. As his *Who's Who* entry makes clear, he had put at the revolutionaries' disposal his second world war experience when he rose from Royal Horse Guards trooper to brigade major in the Far East.

Born in Mayfair, the son of a barrister — who had also been in the Royal Horse Guards — Glyn went to Westminster School to read natural sciences at Caius College, Cambridge. He then studied medicine at Barts, finally qualifying in 1948. He had a fashionable medical practice and, in 1962, married the daughter of the second Earl of Elymouth, Lady Rosalind, who doubled as the actress Clare Clive.

Always restless, he decided on a second profession as a barrister, qualifying at Middle Temple in 1955. He then turned to Tory politics. He was adopted for marginal, Labour-held Clapham in 1957 and won it narrowly in 1959, having toured the constituency in an old Rolls-Royce van. He made his maiden speech urging stronger defence and joined every inter-



Glyn... always restless

national group in the Commons, including the British-Mongolian and British-Ecuadorian parliamentary groups.

Glyn financed his own explorations, including a trip to Cuba in 1960, where he interviewed Fidel Castro. He also flew off to Cyprus, the West Bank and Algeria — where he saw action with the Foreign Legion. In the Commons, he partly played the role of right-wing internationalist, strong on Nato, and favouring the white-supremacist Sir Roy Welensky's plans for a Central African Federation. He was an enthusiast for hanging terrorists.

As a physician, he played a more moderate role. In the battles over abortion, he explored the fanaticism of the anti-abortionists; he urged the well-off to contribute more to the National Health Service but favoured NHS prescriptions for those going to private doctors. He was the consumers' friend, attacking money car auctions. But when he was narrowly defeated at Clapham in the Labour victory of 1964, few thought of seeing him again in the Commons.

HE became restless again and flew off to South Vietnam in 1967, insisting on seeing action. His wife, Rosalind, said: "If you have to get killed, get killed. But don't get captured." Near the Cambodian border, the party came under fire. Glyn vowed never again to see action unarmed. But he got a book out of it: *Witness to Vietnam*.

To general astonishment, he returned to the Commons in 1970 as MP for Windsor, the garrison town for the Household Cavalry, in which he had served. The local selectors had succumbed to his bedside manner, his Hungarian and Vietnamese escapades, and his wife's acting career and aristocratic connections.

Glyn was strenuous in his defence of his new constituency against the threats from Heathrow over-flying, the Windsor pop festival, and the six-fold rent rises for the Queen's local pensioners. He put down frequent motions to curb MPs' speeches, but his own were among the most long-winded, often to an empty House. In 1986, he beat off a constituency effort to force his retirement. But, in 1989, he gave in, saying he would stand down in 1992. His wife and two daughters survive him.

Andrew Roth

Sir Alan Glyn, politician, born September 28, 1918; died May 5, 1998

CORRECTIONS AND CLARIFICATIONS

ON PAGE 12 of some editions, May 14, under the heading, "Clarification of the sensual is laid bare at last, we said that a painting called *Lydia*, by the Rev M W Peters, had not been seen in public since the artist completed it more than 200 years ago. We gave the impression that its first exhibition would be in the exhibition, *Angels and Archangels*, opening that day at Cranwood House, Hampstead. We did

not say that the exhibition had already been on view at the Djanogly Art Gallery, part of the University of Nottingham Arts Centre, one of the joint organisers.

IN PASS Notes on Mogens Tholstrup, Page 4, May 21, we mentioned "Baroness Izzy van Rydwyck, among other improbably-named celebrities". Her name is Izzy van Randwyck. Apologies.

IN THE Don's Delight column, Guardian Higher Education, Page 7, May 12, we misprint the first name of the author of *The Dickens World*, who is Humphry House (no e in Humphry). The author of the piece, Nicholas Tucker, was described as a lecturer in cultural and commodity studies at Sussex University. He lectures in cultural and community studies.

It is the policy of the Guardian to correct errors as soon as possible. This week readers may contact the office of the Readers' Editor, Ian Mowles, by telephoning 0171 235 9589 between 11am and 5pm from Tuesday until Friday. Surface mail to Readers' Editor, The Guardian, 119, Farringdon Road, London EC1R 3ER. Fax: 0171 235 9897. E-mail address: readers@guardian.co.uk

A Country Diary

CHESHIRE: Before leaving the northern woods, I strayed off the path and pushed my way through rhododendron bushes to reach one of those secluded spots in the valley where a gentle slope led down to the river. The floorshow was spectacular. On the upper slope, under pure white, star-shaped flowers, the dark green, pungent leaves of a broad raft of ransoms were rippling like waves in a sea

breeze. Yellow archangel, sweet woodruff, red campion and sandwort were all part of that colourful carpet, with a mass of greater stitchwort scrambling amongst them looking for support for its weak, brittle stems. But pride of place went to the early purple orchids, their rich, purple-lavender blooms providing a striking contrast with the surrounding bluebells. Before long I realised that the oak tree above me was home to a pair of nutcrackers. I couldn't hear the sound of hungry

youngsters but the rate at which the adults were flying have meant that there were mouths to feed. I could see the how the birds had narrowed a size only just big enough for them to squeeze through. Pealed looking for the right leaf under which to lay their eggs, and on the river itself a female mallard led her 12 chicks away from the bank.

J M THOMPSON

Analysis
Public

Turn
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The Guardian Tuesday May 26 1998

Analysis Public spending

Chancellor Gordon Brown dispensed with the annual 'star chamber' public expenditure round when he took office and adopted his predecessor's spending totals. But now the day of reckoning is approaching, writes **Michael White**

Turning the Treasury screw

IN A way Tony Blair and Gordon Brown are like an ambitious young couple who have just bought one of those country estates you read about in the Sunday papers, one in which the previous owners have retired to an old folks' home after devoting 18 arduous years to overhauling the place.

They pulled down the barns and a decaying wing or two, installed new drainage and a decent roof, then quarrelled and gradually gave up. It leaves lots for the new owners still to do if they are to fulfil the old couple's plans (which they admire), albeit in their own distinctive fashion.

Fresh paint here, new windows there, a completely new design for the study, we are reaching the point when there is something to show for it. If the Northern Ireland peace deal is the first substantial historic achievement of the Blair government, and welfare reform is proving even harder than expected, then the next major benchmark is due in mid-July.

It is called the comprehensive spending review (CSR) and even allowing for its uncatchy Treasury title (probably deliberate), the startling thing about it is the lack of publicity it has attracted, even on the inside pages of the FT and The Economist.

All that changed on Sunday morning when Robin Cook, the Foreign Secretary, and other senior ministers awoke to find they had been briefed against for not trying hard enough to cut their budgets and find new, better and cheaper ways of doing things with £30 billion of public money. The Chancellor, we were told, is not best pleased.

As under the Tories ("the Education Ministry represents education, the Foreign Office represents foreigners," as Norman Tebbit used to put it) those lavish *objets d'art* made an easy populist target. Diplomats in Washington, Paris, Rome and elsewhere should brace themselves for a posh car-boot sale.

But it is much more important than the FO's piddling £1 billion a year budget, mere cocktail canapés compared with the DSS's £82 billion (£1). At stake is the government's ambitious drive, not simply to cut public spending as a percentage of gross national product (the Tory goal), but to spend it more effectively and spend it where post-imperial Britain needs to spend it.

That translates as education (education and education), health, and a complex brew of inner-city regeneration under John Prescott's wing. It is bad news for Mr Cook, and for George Robertson, the Defence Secretary, gallantly pushing

through a parallel defence review of Britain's military needs. It should be bad news for social security, costly and ineffective, if ministers can crack that one.

In their different ways the Thatcher/Major governments tried. They privatised, they bled off functions into semi-independent agencies, they levied charges and contracted out anything to curb the appetite of government departments in democracies to spend.

There are 1,000 civil servants in the Treasury and five ministers. Everyone overbids for more money. Private sector disciplines don't exist. The only proxy for market forces in government is Treasury bloody-mindedness," recalls David Heathcoat-Amory, a Tory Treasury minister who is watching Blair/Brown with a mixture of scepticism and unexpected admiration for their toughness.

A succession of Tory Treasury types fought annual public expenditure rounds against the spending ministries, refining their techniques as they went. On entering office Gordon Brown dispensed with the 1997 "star chamber" round and simply embraced his predecessor Kenneth Clarke's spending totals for his first two years — while actively exercising his right to shift cash around within those totals. Lucky Frank Dobson at health, lucky David Blunkett at education, unlucky George Robertson.

In 1998 there is a public expenditure round, in a committee called PX, chaired by Gordon Brown. On his deputy Alistair Darling, the Chief Secretary to the Treasury ("The Abominable No Man" as he is usually called), sits with small budget ministers like Margaret Beckett, Lords Irvine and Richard, David Clark and a token Frank Field.

They pass judgment on the big budgets, financial padding and other scams, still said to be £20 billion over Brown's target in total. "If you start out by offering cuts, they say fine, we'll take that and have some more," one spending minister explained this week. Everyone remembers the fate of Thatcher's blue-eyed boy John Moore, who did offer lavish cuts. It helped ruin him.

Unsurprisingly then, Mr Darling, now devoting most of his time to the CSR, got begging letters from most of his colleagues within a fortnight of election day. "We've opened the books, it's all ghastly, we need more money," they told him. A stern Blairite (tipped for reshuffle promotion), he for resolute shove off and cope on what they had — and got away with it.

Where 1998's grandly

dubbed Brown/Darling Comprehensive Spending Review differs from, say, Michael Portillo's *Financial* Spending Review is that Labour ministers are looking much further ahead, probably to fixing total spending plans in three-year cycles (the contentious point remains unresolved) which would take the first batch to 2002 — probably beyond election day.

Like their mate, Bill Clinton, Labour ministers over time of saying they are not going to repeat the error of past Labour cabinets (or post-1997 Tories) in spending lots early on and retrenching as election day approaches. Even Dennis Skinner recently endorsed the proposition.

Furious Liberal Democrats claim that Brown is building up a £50 billion "election war chest" while allowing class sizes and NHS waiting lists to rise in breach of Labour's "five early pledges". There is some truth in that too, but Brown will face quite enough pressures to spend between now and election day — plus pressure on wages, inflation and jobless totals — without pouring petrol on the fire just yet.

WHAT is also different about the CSR is that New Labour no longer thinks simply in terms of "input" — the amount of money it can give a Whitehall department or even a school or hospital. The name of the game is measuring "output" — be they exams passed (or better still, literacy attained), ill-health reduced (less cancer heart attacks), rather than operations performed and counted, Bottomley-style.

To this end, they will introduce an obscure but important concept called resource accounting in 2000/1. Widely used in the private sector, it will replace traditional cash accounting and require departments to know what assets they hold and acknowledge that they are not "cost free" — they are paid for, but cost money to run.

"We got elected to improve schools, not to acquire a few more admirals or house them in St John's Wood. We may have had those houses for 100 years, but when the MoD has to face up to the cost of having them, things will change, predicts one key minister.

The theory of the £120 billion National Asset Register, the so-called Domestic Book, is that asset-rich departments, say the MoD, will be forced to sell off unwanted assets like redundant firing ranges, shipyards or houses. As an incentive, nice Mr Darling says they can keep up to £100m worth of such sale proceeds a year

instead of handing it all over to "Iron Gordon" Brown. Ditto the services which departments provide. Whitehall's embrace of resource accounting means finally getting to grips with the quality of service provided, instead of (as Ken Clarke once put it) "measuring our performance by the rate at which we burn £10 notes". The idea was Clarke's, but Darling embraced it.

That view embraces the heresy expressed by Ofsted's Chris Woodhead, who said last month that his inspectors had not found that "schools as a whole are under-funded to do the job". David Blunkett wants more money than is on offer. Darling will cite Woodhead and say No. Cash alone is not the key to standards.

Thus part of the changed culture thrown up by such modernisations finds its way into the CSR negotiations. Talk to ministers about how they are facing up to line-by-line scrutiny from Mr Darling and they say that they are expected to come up with solutions as well as problems.

Thus Jack Straw has inherited Michael Howard's prison building (and filling) programme. He can cut prison numbers, embrace privatised prisons and challenge the Prison Officers Association to match that (alleged) efficiency. By tackling, say, youth crime in cross-departmental committees involving the attorney-general and Lord Chancellor, he can achieve more effective (hopefully cheaper) outcomes.

So too must Messrs Dobson, Prescott and Blunkett play the game: by using more flexible rules on the Private Finance Initiative (PFI) to lure private capital into building programmes, most urgently the Channel Tunnel link; by charging students maintenance and tuition fees (thus generating £1 billion a year in extra revenue); by passing taxes, green taxes, landfill taxes and other options open to lucky John Prescott.

The fashionable words are "income stream", "partnership" and "charges". Tax is a dirty word. But ministers know semantics will not allow them to escape hard choices, nor the wrath of Blair if things go wrong. Hence perhaps the preternatural quiet which attends deliberations of PX.

(1) Budget Red Book, March 1998; (2) Treasury White Paper, July 1995; (3) Treasury statement, November 1997. Graphic sources: Public Expenditure Statistical Analysis 1998-1999; HM Treasury. Graphics: Steve Villiers. Researcher: Matt Keating. Michael White is the Guardian's Political Editor.

Comprehensive spending review

Produced by Gordon Brown and Alistair Darling, the review will cut ministerial budgets for the next three years. There will be winners and losers.

Winners...



Health

Frank Dobson
£20m for his department to cut hospital waiting lists — one of Labour's five prime election pledges



Education

David Blunkett
Has secured an extra £7-£8bn to target further education colleges, education and training for 16 to 19-year-olds



DETR

John Prescott
The Deputy Prime Minister's mega-department will receive extra cash for housing, local government and transport

...and losers



Defence

George Robertson
MoD budget has been reduced by a third since 1994. Robertson will have to endure further cuts



Social Security

Harriet Harman
£83.4bn annual budget could face the greatest cuts if the Government's welfare reform works

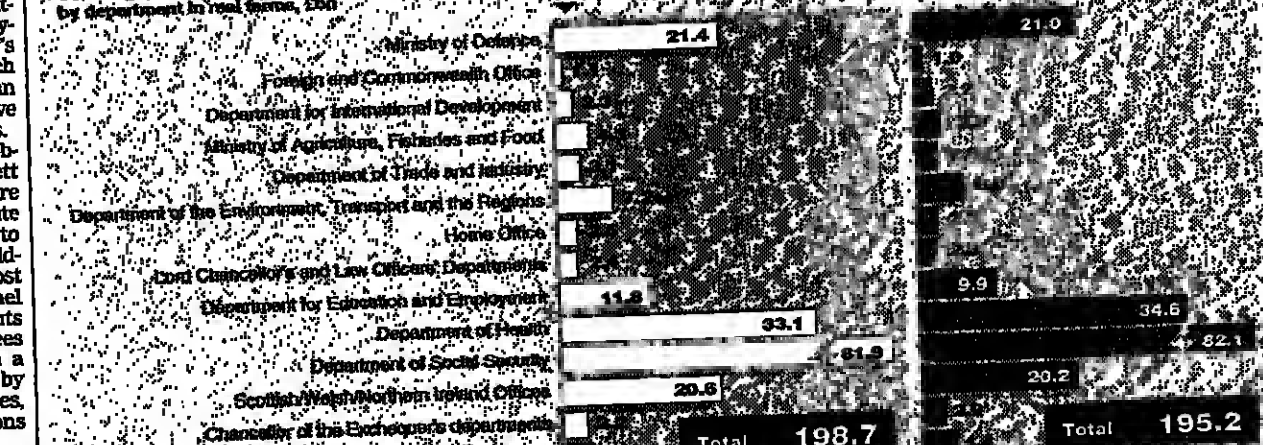


Foreign

Robin Cook
His office was targeted as the worst offender in the Government's welfare assessments regular after Treasury says he visited the Paris Embassy

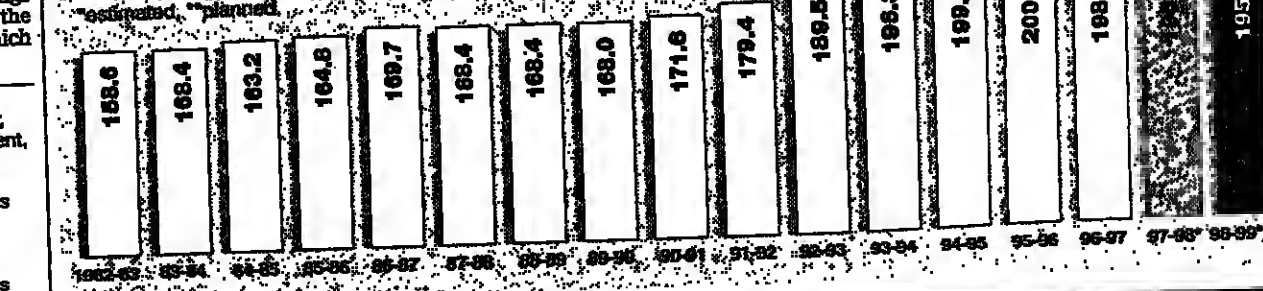
Differing appetites

Central government expenditure by department in real terms, £bn



Rising costs

Total central government expenditure in real terms since 1982, £bn



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Finance Guardian

Movement loses out-of-town supermarket war and goes back to corner shop as profits fall again

Co-op admits defeat

Jill Treanor

THE CO-OP announced its fourth consecutive annual decline in profits yesterday after failing to defend itself against the onslaught of other supermarkets.

The Co-operative Union, the movement's organising and advisory body, which held its annual meeting at the weekend, said profits had fallen 14 per cent to £118 million.

It has virtually admitted defeat in the out-of-town wars by concentrating its efforts on smaller neighbourhood stores. A spokesman said: "We are not going head to head with Tesco and the like. It's back to the corner shop."

Its financial performance,

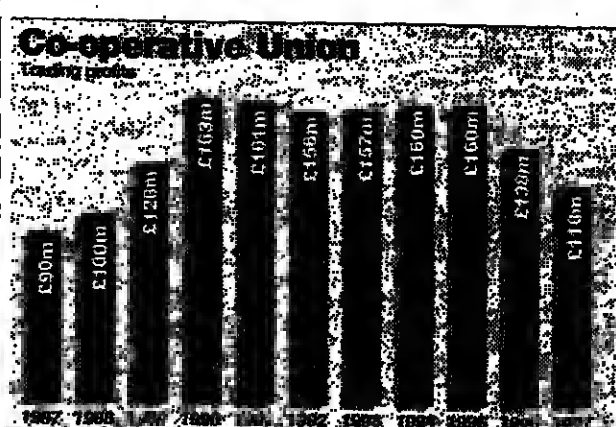
the worst for eight years, was partly due to another fall in its share of the groceries market, its core business, to 6.4 per cent.

The Co-op was embroiled in controversy last year when Andrew Hagan, the controversial City financier, was thwarted in his attempt to bid for the movement.

Richard Hyman, analyst at retail consultants Verdict, said the long-term future for the movement was bleak, despite an attempt to restructure operations: "I think there is a future for the Co-op in the short to medium-term because of its sheer size."

"It still represents a large chunk of consumer spending, but it is a diminishing slice and it is very difficult to see it stopping diminishing."

But the Co-operative Union insisted some parts of the



society were doing well and the 100-year-old movement was strong, saying "In the early 1990s the pundits in the City were saying the Co-op would die before 1990. We

last year, an increase of less than 3 per cent against 1996's 27.9 billion.

Times were toughest for the two largest societies which make up the Co-op — the Co-operative Wholesale Society and Co-operative Retail Services — which are semi-national and together account for approximately half of the movement's turnover. But the regional and local societies, such as United Northwest Co-operative and Lincoln Co-operative, increased their trading profits by almost 14 per cent.

Turnover in household goods rose by more than 3 per cent while travel receipts soared by 15 per cent. Sales in its motor arm, which includes petrol, rose 7 per cent. The funeral business, which attends to a quarter of all deaths in the UK, grew by 8 per cent.

The group's future strategy is based around seeking to increase synergies between its different businesses, particularly on the financial and retail services sides.

For instance Mervyn Pedley, chief executive of the Co-op Bank, raised the possibility of loyalty cards being used to entice customers to save using the Government-backed Individual Savings Accounts, which are being launched next year.

CWS has signed up 1.7 million holders of its Dividend card — which pays 5 pence for every £1 spent on Co-op brand goods and fresh produce — since it was launched in January.

The Co-op also has 46 independent regional and local societies, two "federal" chains, National Co-operative Chemists and Shoefaire.

Notebook

Evil harbingers for Greenspan



Laurie Laird

WHAT with the Memorial Day holiday in the US and the bloom of a newish marriage, one could be forgiven for taking a somewhat relaxed attitude towards life. But perhaps not if your name is Alan Greenspan, the US Federal Reserve system's most powerful man, responsible for setting US interest rates, whose decisions can affect interest rates and rattle financial markets across the globe.

Mr Greenspan has appeared quite laid back since his marriage to a high-profile television reporter in April last year.

The liaison had many financial journalists salivating: imagine the pillow talk with a man whose presence in the financial markets makes George Soros look like the office tea boy.

For the moment, Mr Greenspan certainly has ample reason to be content with the robust US economy the envy of the western world. Unemployment fell to 4.3 per cent last month, its lowest in recent memory.

Interest rates are hovering historically low; the US 30-year Treasury bond — which serves as the benchmark for most consumer instalment loans — yields under 6 per cent.

That has helped to finance a retail boom, and with consumer spending comprising approximately two thirds of gross domestic product, active consumers are generating buoyant economic growth. And miraculously such enviable growth has yet to ignite inflation — prices rose just 1.4 per cent in the year ending in April.

But the relative scarcity of labour is beginning to push wages higher. Average hourly earnings rose by 4.3 per cent in the year to April.

With labour still the biggest component of the cost of most goods, rising earnings are more than likely to feed into the cost of goods.

Oh, but the Asian crisis will certainly dent US growth, say the optimists, since neither America or her western partners will be able to maintain exports to the cash-strapped region. Certainly a consideration, but nearly a year into the Asian meltdown, few western economies are feeling much of a pinch.

A rate rise could address one of Mr Greenspan's bigger worries, the possibility of asset price bubble. The Dow Jones Industrial Average has risen some 25 per cent over the past year — ironically, the sort of growth formerly associated with the Asian markets.

ANY underestimating of the inflation rate could mean a massive rate rise over the medium term — which would send the US stock market into a tailspin.

With more Americans exposed to the stock market than ever before, a sharp reduction in stock prices could leave many of them facing a dramatic drop in the value of their assets. And where the US market goes, so do those around the world.

British economists readily admit that European markets are currently held hostage to interest rate movements in the US.

Oddly, some economists believe the Fed may be holding back in an effort to avoid destabilising world equity markets — particularly the already-battered Asian exchanges.

"What's in it for the Fed to take that risk," asked one.

But others subscribe somewhat less altruistic reasons for Mr Greenspan's reluctance to lift US rates.

That came mainly from the quiet chairman does enjoy his current popularity — which is perhaps, only fitting in an era of politics by focus groups and public opinion.

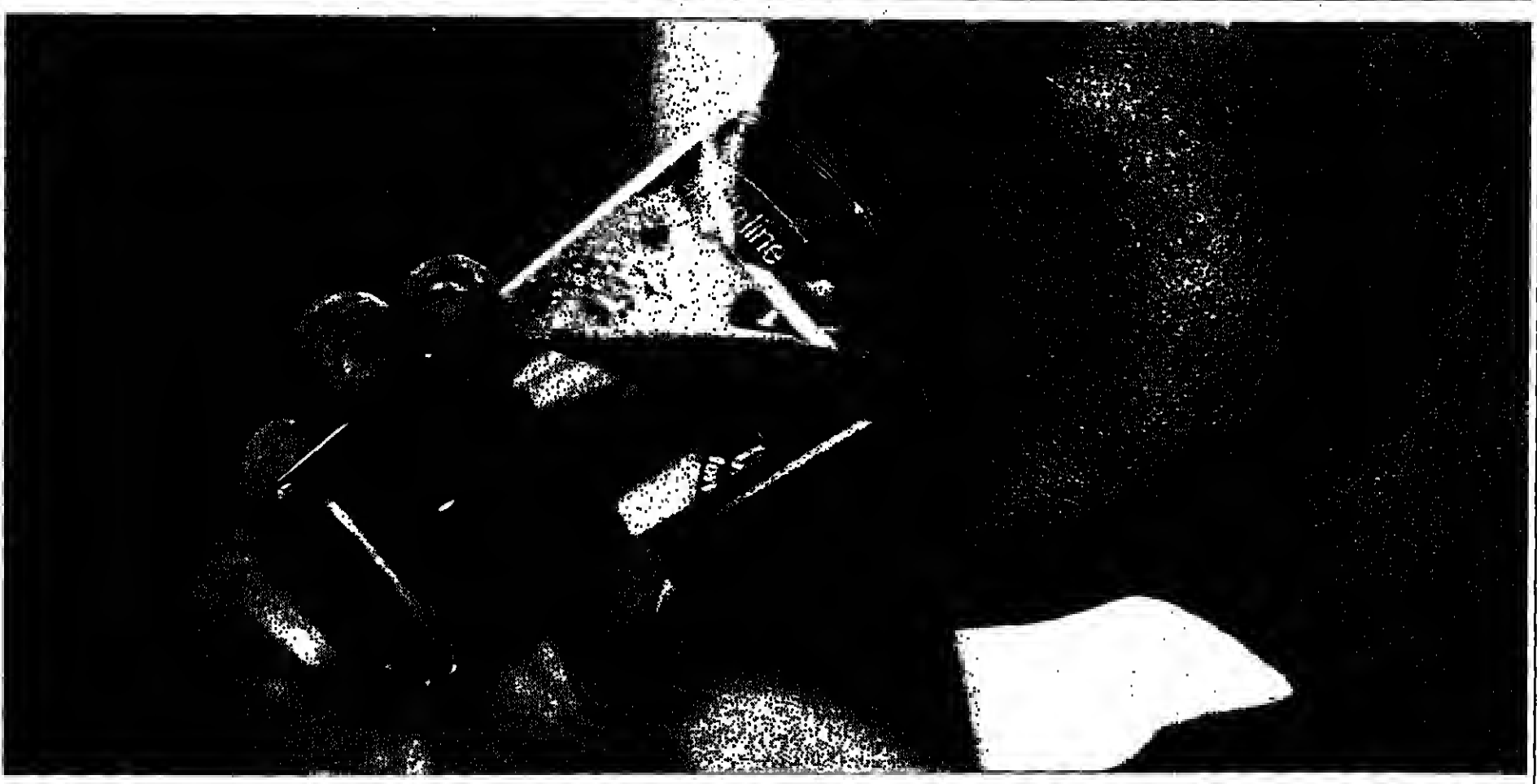
Nonetheless, there are signs that the powers that be are getting just a bit uncomfortable with the strength of the US economy. The bank's Open Market Committee dropped its on-hold stance at its March meeting, adopting a bias toward tighter rates; minutes of last week's meeting will not be available for another six weeks.

But the Fed maintained a bias toward higher rates through all of last year, but kept the cost of borrowing steady. Perhaps more telling, Mr Greenspan met with President Clinton earlier this January, for the first time since January of last year. That meeting preceded the Fed's most recent rate rise.

With the risk of inflation — and hence, a sharp steep rise in interest rates — on the horizon, a smallish rise in rates now is surely the safest option for both the US and worldwide economy.

But even if Mr Greenspan is considering firmer rates, he may well have acted too late.

Beer deal falls flat



ATTEMPTS by the Government to give beer drinkers a better deal by forcing big brewers to sell tied pubs were a failure, leading to higher prices and less choice, according to new research, writes Charlotte Denny.

The six big brewers sold nearly 14,000 tied tenan-

cies between 1989 and 1992 after a Monopolies and Mergers Inquiry concluded that prices were too high and choice limited because tenants were forced to buy from owner-brewers.

The Government introduced the Beer Orders, capping the number of tenants brewers could own. But

the mass sale achieved the opposite of what the MMC intended, according to economist Margaret Slade of the University of British Columbia.

Professor Slade's research, published today in the Economic Journal, suggests consumers face the same limited choice of beer,

and prices have risen faster than costs.

Hotel and catering groups snapped up large chains of pubs, signing exclusive deals with brewers. As a result, the pubs continued to offer the same limited range of beers.

The new rules led to a rash of mergers, with the

number of national brewers falling from six to four, while their market share rose from 75 per cent to 88 per cent. The number of free houses has fallen from 16,200 in 1989 to 15,300.

The introduction of beer orders did increase consumer choice in the remaining tied pubs. But

the rules on guest beers do not apply to the 20 per cent of pubs now part of a national chain.

Prof Slade says there was no evidence that consumers or independent pubs had been unhappy about tied pubs prior to the MMC report.

Survey rules out electrical price-cut rush

Discounters will still find the market unattractive, writes Jill Treanor

MARGRE profit margins will make it virtually impossible for electrical retailers to slash the prices of washing machines and televisions, despite the Government's decision to outlaw price fixing, according to a report published today.

Verdict, the retail consultants, belittles the Consumer Association's predictions of a 25 per cent reduction in the price of electrical goods in September, when suppliers are no longer allowed to tell retailers the prices at which they must sell products.

Margaret Beckett, the Trade and Industry Secretary, helped fuel hopes of reductions of up to £100 on some electrical goods when she ruled last week that restrictive practices in the market had been denying consumers lower prices.

Verdict's report questions the use of the Department and Trade Industry's "sledgehammer" in the market. "Yes, there is price uniformity but the report demonstrates that this is a function of a highly competitive envi-

ronment rather than the operation of a cartel," said Verdict analyst Richard Hyman.

According to the retail consultancy group it would be impossible for every retailer to negotiate with every manufacturer on every product. "Some mechanism will need to remain in place in order to communicate product-pricing architecture. Verdict does not believe, therefore, that the DTT's action will make any difference to prices in the shops," the report concludes.

For prices to fall dramatically, a discount retailer would need to step in with aggressively cut prices and then achieve huge sales to survive, Mr Hyman said.

But a discount is unlikely to be attracted to the market, given the low profit margins on which retailers are operating, he added.

Verdict calculates Dixons Store Group's share of the market at 20 per cent, three times greater than Comet's and higher than the total of the 10 other leading specialists. DSG, which includes the Dixons, Currys and PC World chains, is also the fastest-growing and most profitable of its competitors in the sector.

But according to Mr Hyman, even DSG, with its profitability and a commanding position in the electrical market, would have difficulty cutting prices further.

Springer sees new Mackenzie role

Jill Treanor and Dan Atkinson

GERMANY'S Springer press empire is believed to be attempting to carve out a meaningful role for legendary former Sun editor Kelvin MacKenzie as part of its planning for a possible takeover of the Mirror Group of newspapers.

Mr MacKenzie, now Mirror deputy chief executive, is one of a stable of top managers being shortlisted by Springer for key posts.

The German company — founded by post-war press tycoon Axel Springer, a lifelong Anglophile — is keen to

retain Mr MacKenzie's skills as an editor in the event of a takeover, but his current position, which includes the title of group managing director, may disappear.

Yesterday, Mirror Group officials denied a bid was imminent or even mooted, and said that there had been "no talks about talks".

But the company privately accepts its value is under scrutiny and that interested parties are examining its figures.

While Springer has yet to appoint investment bankers, it is thought to have been seriously looking at Mirror for at least six weeks.

A Mirror spokesman admit-

ted that Springer chief executive Gus Fischer had spoken to Mirror chief executive David Montgomery over the weekend, but claimed the subject had not been related in any way to a possible bid. The men are former colleagues from their days inside the Murdoch empire.

Mr Fischer is known to be keen to take Springer out of its German heartland and to build a more global business. Currently, non-German sales account for only about 12 per cent of turnover. He had hoped to buy the Express newspaper group from Lord Hollick and, having failed, turned his sights on the Mirror.

If Springer's expansion

plans in this country come to nothing, it is expected to turn its attention to other European countries such as Spain and France.

There are suggestions Mr Fischer is not alone in casting an eye over the British newspaper group, whose share price has been flagging for some time. But one industry source dismissed suggestions Tony O'Reilly, owner of The Independent, might enter the race.

Aside from its eponymous daily title, the Mirror owns a number of strong assets including regional newspapers such as the recently-acquired Midland Independent Newspapers group.

Building repairs go to the wall

Rupert Jones examines the national culture of make-do but don't mend

ENGLISH houses are suffering from a £50 billion repairs backlog because homeowners fear cowboy builders and prefer spending money on cosmetic improvements, says a report published today.

Homeowners rarely seek professional advice about defects, relying instead on their own often limited knowledge and that of relatives, friends or informal contacts in the building trade, it finds.

The study, funded by the Joseph Rowntree Foundation, says consumers' wariness of the building trade is one of the main reasons they put off essential maintenance work.

The problem of finding a trustworthy and competent builder is described as "widespread", with shoddy workmanship, long delays, unreliable estimates, failure to finish the job or clear up mess all cited as reasons by consumers.

Rather than putting right urgent problems, home-

owners tend to concentrate on "cosmetic" improvements, such as painting the front room or fitting a new kitchen, says one of the authors, Professor Philip Leather of London's South Bank University.

"Maybe even two-thirds of spending tends to be on things that are essentially cosmetic or for comfort — things people do because they want their houses to look good."

"You get more pleasure out of something you can sit and look at rather than having mended your roof," he said.

Recent government figures revealed that the average owner-occupied house

in England required £3,620 worth of maintenance to bring it up to scratch. Of this figure, £1,250 represented urgent repairs. With 14 million such properties in England, this adds up to a bill of £50 billion.

Most people have little trouble in identifying routine repairs but often miss the more complex, technical problems or delay too long before taking action. Homeowners tend to be badly informed about how much work will cost.

The authors are calling on the Government and mortgage lenders to raise awareness of the importance of keeping homes in good repair.

Nuclear shock for the rupee

Charlotte Denny

FINANCIAL fallout from this month's nuclear tests shook the Indian economy yesterday after it emerged a leading rating agency is considering downgrading the country's investment status.

Standard and Poor's altered its outlook for India from stable to negative, following the US decision to impose sanctions on the already fragile economy.

Dealers reacted by ditching the rupee, driving the dollar, its lowest level ever, to recovered slightly to end the day at 40.94.

The rupee was saved from further falls by the European

Union's decision yesterday not to follow Japan and the US and impose sanctions. EU foreign ministers announced that although the tests were "a grave threat to international peace" they were not considering sanctions at this stage.

Traders said S&P's outlook downgrade was the one for the rupee's rollercoaster ride, but events had been building up to a depreciation of the Indian currency.

Sanctions imposed by the US and Japan are expected to cut into external investment in the economy. India desperately needs the foreign currency to close its yawning current account deficit which stood at \$3 billion in the last financial year. Foreign capital inflows have already slowed down this year.

TOURIST RATES — BANK SELLS

Australia	2.52	Germany	2.79	Malaysia	8.10	Singapore	2.82
Austria	19.84	Greece	48.77	Mexico	0.8177	South Korea	3.07
Belgium	19.84	Hong Kong	12.28	Netherlands	3.1337	Spain	226.20
Canada	2.31	India	86.20	New Zealand	2.97	Sweden	12.54
Cyprus	0.82	Ireland	1.1099	Norway	5.85	Switzerland	2.26
Denmark	10.77	Israel	5.85	Portugal	285.12	Turkey	398.340
Finland	8.50	Italy	2.774	Saudi Arabia	6.01	USA	1.5950
France	9.34						

Supplied by NatWest (including rupee, shekel and mollar)

مكتبة الادب

16 SPORTS NEWS

Michelle Smith faces life ban, page 15

Hoddle hints at place for Wright, page 14

Monty mops up at Wentworth, page 14

Bonus for Persian Punch, page 13

The Guardian Tuesday May 26 1998

SportsGuardian

Mendonca hat-trick in Wembley goal feast

Path to the Premiership

Nationwide Division One Play-off final

Charlton 4 Sunderland 4
After extra-time - Charlton win 7-6 on penalties

Clive Mendonca for Charlton (23)	1-0
Niall Quinn for Sunderland (50)	1-1
Kevin Phillips for Sunderland (58)	1-2
Clive Mendonca for Charlton (71)	2-2
Niall Quinn for Sunderland (78)	2-3
Richard Flukes for Charlton (85)	3-3
Nicky Summerbee for Sunderland (90)	3-4
Clive Mendonca for Charlton (103)	4-4
Penalty shoot-out	
Clive Mendonca for Charlton	1-0
Nicky Summerbee for Sunderland	1-1
Brown for Charlton	2-1
Johnstone for Sunderland	2-2
Jones for Charlton	3-2
Ball for Sunderland	3-3
Knafo for Charlton	4-3
Makin for Sunderland	4-4
Bowen for Charlton	5-4
Rea for Sunderland	5-5
Robinson for Charlton	6-5
Quinn for Sunderland	6-6
Newton for Charlton	7-6
Gray missed for Sunderland	7-6



Saving grace... Charlton's goalkeeper Sasa Ilic dives to stop Michael Gray's fateful penalty and foil Sunderland at the last. PHOTOGRAPH: TOM JEWINS

First Division play-off final: Charlton Athletic 4, Sunderland 4 (after extra-time, 3-3 at 90 minutes; Charlton win 7-6 on penalties)

Shoot-out scuppers Sunderland

Trevor Haylett

A PRIZE worth £10 million and risk of a penalty shoot-out yesterday. It was a desperately perverse way to send a team to the Premiership but for Charlton, a club who refused to die and who declined every invitation to surrender on the day, this was a triumph to remember for a long, long time.

One could not make it up. Even a hat-trick from Clive Mendonca, the Charlton striker who produced a masterful exhibition of the scoring art at the expense of the team he supported as a boy was not sufficient to carry off the spoils. These brave, un-

flagging teams remained all square after 120 dramatic minutes and then matched each other stroke for stroke as they put away their five regulation penalties.

So it came down to sudden death. These athletes are handsomely paid but surely should not have to endure such a climax to a 49-game league season. After three more successful attempts the role of tragic fall-guy fell to Michael Gray, who rolled an under-hit shot at Sasa Ilic, the 6ft 4in barrier filling the Charlton goal. Feelings from neutrals last night lay with the young Sunderland defender. One simple mistake and 10 months of endeavour is turned to waste. For Charlton, splendidly

managed by Alan Curbishley, this heart-stopping victory marks the peak of a decade spent fighting for their lives and their Valley ground. It will concern them little that the bookmakers have installed them at 150-1 for the Premiership title.

"How do we recover after that?" Curbishley said. "I felt it was an important time when we got it back to 2-2 and the defences were all over the place. And then we got to the penalties and we hadn't practised penalties except for a bit of fun at the end of training and four out of the five who took those penalties didn't even take them today." Defeat left the Wearside side to make the same head-down

walk along Wembley Way as Newcastle and Middlesbrough in recent weeks. Sunderland held the lead twice in the second half and again put their noses in front at the start of extra-time. But with Mendonca's right foot serving him and his team so well, a one-goal advantage was never going to be enough.

Mendonca's first goal, midway through the first half, after a sharp turn to outwit Jody Craddock, gave no hint of the thrilling events about to unfold. Sunderland had looked unlikely to penetrate a defence which had stood firm for 14 hours. But three times they unravelled that record-breaking rearguard before the clock signalled 90 minutes.

When a corner was needlessly given away, Niall Quinn ducked low to direct his header in at the near post. He then blazed over before Kevin Phillips, collecting Kevin Ball's firm forward header, found room to glance the ball home. It was his 35th goal of the season and saw him overtake Brian Clough's long-standing club record.

Quinn's second, an unerring volley dispatched at the far post, came with 17 minutes remaining and was an instant response to the pick of Mendonca's three. Flanked by two defenders he brought the ball down before splendidly easing it beyond Lionel Perez. Leading 3-2 with only five minutes remaining, Sunderland thought they were home

but Perez came a long way for a corner he could never reach and Richard Rufus headed in. It was a timely moment for the defender to register his first goal for the club. In extra-time Nicky Summerbee finished off a move begun by Gray and helped on by Quinn but at the back Peter Reid's team were still vulnerable to the Mendonca menace, and from Steve Jones's cross he needed only the slightest room to become the first player to score a hat-trick in a play-off final.

Charlton Athletic (4-4-2) 11c: Mills (Robinson, 77min), Flukes, Youngs, Bowen, Newton, K Jones, Knafo, Henry (3), Jones, 85; Mendonca, Brown (89), 94; Sunderland (4-4-2) 11c: Perez, Holloway (84min), 89, Craddock, Williams, Gray (Summerbee, 81), Clark (88), 100; Ilic, 24; Walsby (Blackburn) 24.

Better to leave the babes in the woodwork



Laura Thompson

LAST week I was asked to take part in a radio talk show, an invitation I find shamefully hard to resist. Even when I was told that the theme of the programme was "Women and Sport" I was unable to say no.

And what, demanded the researcher, were my thoughts on the subject? Well, I replied, my thoughts on the subject were that there was no subject upon which to have thoughts. If women were interested in sport, that was fine; if they were not, that was also fine. Wow, said the researcher, how wonderful, how refreshing. The next day, she left a message on my answering machine saying that I was no longer required.

I was unsurprised, of course; relieved, too, but also annoyed because a part of me had been looking forward to going on the programme and trampling its dreaded theme. I have been writing about sport, on and off, for about eight years and during that time I have been invited to take part in this kind of radio show on this kind of topic more times than I care to remember. At the start there was a little something to say on the subject. It had a certain novelty: a frisson could be created merely by the juxtaposition of those towering twin concepts, "women" and "sport".

But now? Surely those days are over? Surely, towards the end of a decade which has seen sport fall over itself in its willingness to take its hands out of its pockets and open its doors to all the lovely ladies waiting outside, no one can make an issue out of this? But they do. God, how they do. It is the most extraordinary and tedious paradox that, while sport is supposed now to welcome women with the same ease as it has always welcomed men, it still carries on as if having a female presence at, say, a football match, were cause for congratulation and debate.

And plenty of women go along with this. They, too, carry on as if the fact that they now like sport were a phenomenon to fascinate the world. Not too long ago, for example, I was in a drinking club—the kind where separate tables

All over by tea for Rusedski and Henman in France

Stephen Bierley sees British faces rubbed in the red clay of Paris

FEW had expected Greg Rusedski or Tim Henman to make much of an impact at the opening day of Roland Garros, but the two leading players lying prone on the court, their faces pressed in the dirt, it was a potent image of Britain's continuing lack of success on clay.

Rusedski had begun the day ranked No. 4 in the world, after climbing above Australia's Pat Rafter without having to do anything (such as the byzantine vagaries of the system), but his No. 5 seeding here was not about to fool anybody, least of all Van Herck, who by dint of this win may now have become the 11th most famous Belgian ever.

"The main idea was to push Greg to the back of the court and keep him there," said Van Herck, a tall, blond, big-boned player of the type that sometimes appear to have been cloned by the ATP Tour.



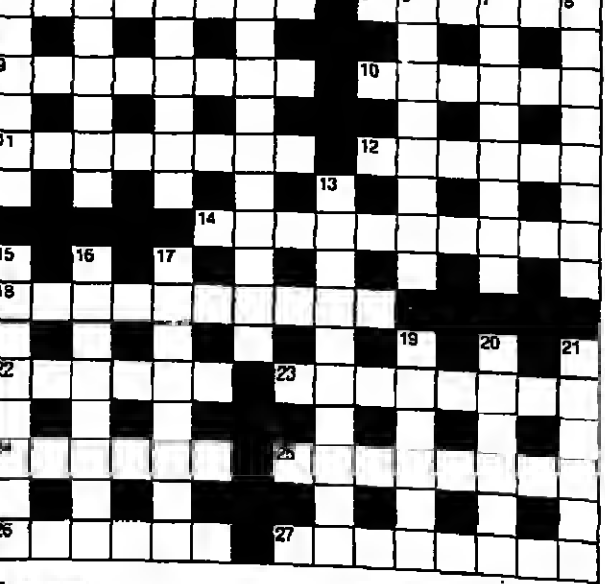
Rusedski... wiped out

match against Sargisjan, but it quickly began to stiffen up. For the knock-out it was fine but when he came to the net and had to move suddenly during the first set the searing pain in the middle of his back returned. "It's almost like it knocks the breath out of you."

Bill Norris, the ATP Tour physio, attempted to ease the problem by manipulation but Henman, after one serve which he won, was forced to concede with a grimace: "I feel pretty sick about it."

Guardian Crossword No 21,284

Set by Chiffonie



- Across**
- 1 Flower that is current in the county (6)
 - 5 Give a member skill (6)
 - 9 Old slang can quote novel (6)
 - 10 Alliance of states has coin that is imaginary (6)
 - 11 Eventually have oneself forgiven for shocking drink (4,4)
 - 12 Franchman, capturing a wild beast, showing bottle (6)
 - 14 Hack skin off and wait (3-7)
 - 15 Mint a couple of coins (10)
 - 22 Old British native protects duck from cat (6)
 - 23 Intellectual is supporter in fight (8)
 - 24 More qualified workman (6)
 - 25 Sorry leads to shortage in pub by Tuesday (5,3)
 - 26 These days returning to the circus shows bottle (6)
- Down**
- 17 Patient finding evidence in grass (8)
 - 1 Off pollution left leaking from the French cutter (6)
 - 2 Incentive, I have, to support raising of cat (6)
 - 3 Hudson's wild dogs (6)
 - 4 Film about crank in a fight (4,6)
 - 6 Powerful person with a right to be in time (8)
 - 7 Fire survivor is resting, having gone crazy (8)
 - 8 Skiing technique, 'a allowed to be raised on the spot (8)
 - 13 Footwear for English banker wearing suit (10)
 - 15 Satire, about knight, top journalist spoils (5-3)
 - 16 Arson etc affected one further up the line (8)

You worry about the plight of men who are having trouble adjusting to the new equality. No doubt aristocrats have always found life hard after popular revolutions.

Polly Toynbee in debate with Fay Weldon

Women, G2 pages 4/5

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